

**HAMRICK PUBLIC SERVICE DISTRICT**

**Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)**

**Closing Date: March 31, 2003**

**BOND TRANSCRIPT**

**STEPTOE & JOHNSON PLLC**

Vincent A. Collins, Esquire  
3rd and Main Street  
Bank One Center, Sixth Floor  
Clarksburg, WV 26302  
(304)624-8161  
collinva@step toe-johnson.com

John C. Stump, Esquire  
707 Virginia Street, East  
Bank One Center, Seventh Floor  
Charleston, WV 25326  
(304)353-8196  
stumpjc@step toe-johnson.com

**HAMRICK PUBLIC SERVICE DISTRICT**

**Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)**

**BOND TRANSCRIPT**

**Table of Contents**

**BASIC DOCUMENTS**

1. Bond Resolution
2. Supplemental Resolution
3. Loan Agreement
4. Public Service Commission Order
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Bond

**OPINIONS OF COUNSEL**

9. Approving Opinion of Steptoe & Johnson, Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

## **CERTIFICATES**

12. General Certificate of Issuer and Attorney
13. Certificate of Engineer, with Schedule Attached
14. Certificate of Certified Public Accountant
15. Certificate as to Use of Proceeds

## **DOCUMENTS OF THE ISSUER**

16. County Commission Orders on Creation and Expansion of District
17. County Commission Orders Appointing Current Boardmembers
18. Oaths of Office of Current Boardmembers
19. Rules of Procedure
20. Affidavit of Publication on Borrowing
21. Minutes of Current Year Organizational Meeting
22. Minutes on Adoption of Bond Resolution, Supplemental Resolution and Rules of Procedure
23. Municipal Bond Commission New Issue Report

## **MISCELLANEOUS DOCUMENTS**

24. Acceptance of Appointment as Depository Bank
25. Certificate of Registration of Bonds
26. Registrar's Agreement
27. Evidence of Small Cities Block Grant

28. Consent of United States Department of Agriculture to Issuance of Parity Bonds
29. Closing Memorandum
30. Environmental Health Services Permit
31. Evidence of Insurance

03/20/03  
373420.00001



**HAMRICK PUBLIC SERVICE DISTRICT**  
**WATER REVENUE BONDS, SERIES 2003 A**  
**(WEST VIRGINIA DWTRF PROGRAM)**

**BOND RESOLUTION**

**Table of Contents**

<b>Subject</b>	<b>Page</b>
<b>ARTICLE I</b>	
<b>STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS</b>	
Section 1.01 Authority for this Resolution	1
Section 1.02 Findings	1
Section 1.03 Bond Legislation Constitutes Contract	4
Section 1.04 Definitions	4
<b>ARTICLE II</b>	
<b>AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT</b>	
Section 2.01 Authorization of Acquisition and Construction of the Project	12
<b>ARTICLE III</b>	
<b>AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT</b>	
Section 3.01 Authorization of Bonds	13
Section 3.02 Terms of Bonds	13
Section 3.03 Execution of Bonds	14
Section 3.04 Authentication and Registration	14
Section 3.05 Negotiability, Transfer and Registration	14
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07 Bonds not to be Indebtedness of the Issuer	15
Section 3.08 Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	16
Section 3.09 Delivery of Bonds	16
Section 3.10 Form of Bonds	16

	<b>FORM OF SERIES 2003 A BOND</b>	17
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	26
Section 3.12	"Amended Schedule" Filing	26

**ARTICLE IV  
[RESERVED]** 27

**ARTICLE V  
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION  
THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank	28
Section 5.02	Establishment of Funds and Accounts with Commission	28
Section 5.03	System Revenues; Flow of Funds	28

**ARTICLE VI  
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	33
Section 6.02	Disbursements From the Bond Construction Trust Fund	33

**ARTICLE VII  
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer	35
Section 7.02	Bonds not to be Indebtedness of the Issuer	35
Section 7.03	Bonds Secured by Pledge of Net Revenues	35
Section 7.04	Initial Schedule of Rates and Charges	35
Section 7.05	Sale of the System	36
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	37
Section 7.07	Parity Bonds	37
Section 7.08	Books; Records and Audit	39
Section 7.09	Rates	41
Section 7.10	Operating Budget and Monthly Financial Report	41
Section 7.11	Engineering Services and Operating Personnel	42
Section 7.12	No Competing Franchise	43
Section 7.13	Enforcement of Collections	43
Section 7.14	No Free Services	44
Section 7.15	Insurance and Construction Bonds	44

Section 7.16	Connections	45
Section 7.17	Completion, Operation and Maintenance of Project; Permits and Orders	45
Section 7.18	Statutory Mortgage Lien	46
Section 7.19	Compliance with Loan Agreement and Law	46
Section 7.20	Securities Laws Compliance	46
Section 7.21	Contracts; Public Releases	46

**ARTICLE VIII  
INVESTMENT OF FUNDS**

Section 8.01	Investments	48
Section 8.02	Certificate and Covenants as to Use of Proceeds	48

**ARTICLE IX  
DEFAULT AND REMEDIES**

Section 9.01	Events of Default	50
Section 9.02	Remedies	50
Section 9.03	Appointment of Receiver	51

**ARTICLE X  
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds	53
---------------	------------------	----

**ARTICLE XI  
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation	54
Section 11.02	Bond Legislation Constitutes Contract	54
Section 11.03	Severability of Invalid Provisions	54
Section 11.04	Headings, Etc.	54
Section 11.05	Notices	54
Section 11.06	Conflicting Provisions Repealed	55
Section 11.07	Covenant of Due Procedure, Etc.	55
Section 11.08	Public Notice of Proposed Financing	55
Section 11.09	Effective Date	56
	SIGNATURES	56
	CERTIFICATION	57
	EXHIBIT A	58

HAMRICK PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF HAMRICK PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$760,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of upgrades to the existing water treatment plant and the construction of approximately ten miles of six inch water line and two miles of two inch water line and a water tank in order to extend service to approximately 125 customers in the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas of Tucker County, together with all appurtenant facilities (collectively, the "Project") (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), in the total aggregate principal amount of not more than \$760,000 (the "Series 2003 A Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2003 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 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 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 or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs

prior to the issuance of the Series 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 completion of the Project is not less than 35 years.

F. It is in the best interests of the Issuer that its Series 2003 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2003 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Water Revenue Bond, Series 1975, dated September 1, 1977, issued in the original aggregate principal amount of \$314,000 (the "Series 1975 Bond"); and (2) Water Revenue Bond, Series 1994, dated May 5, 1994, issued in the original aggregate principal amount of \$229,000 (the "Series 1994 Bond"), both held by the United States Department of Agriculture. The Series 1975 Bond and the Series 1994 Bond are hereinafter collectively called the "Prior Bonds".

Prior to the issuance of the Series 2003 A Bonds, the Issuer will obtain the written consent of the Holder 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 other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

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

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 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 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2003 A Bonds.

"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 BPH under the Act.

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

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

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

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

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

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 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.

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

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

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

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

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

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

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

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

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

"Investment Property" means:

- (A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),
- (B) any obligation,
- (C) any annuity contract,
- (D) any investment-type property, or
- (E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the

Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 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.

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

amortization payments upon the Bonds and the Prior Bonds and into the Reserve Accounts and Replacement Fund have been made to the last monthly payment date prior to the date of such retention.

"Outstanding," when used with reference to Bonds, and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or canceled by the Bond Registrar, at or prior to said date; (ii) any Bond for the payment of which 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 Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders or Holders of any Prior Bonds, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2003 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1975 Bond and the Series 1994 Bond.

"Prior Resolutions" means, collectively, the resolution of the Issuer adopted February 3, 1977, authorizing the Series 1975 Bond, and the resolution of the Issuer adopted April 11, 1994, authorizing the Series 1994 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.

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

"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 to be on deposit in any Reserve Account for the Prior Bonds and the Series 2003 A Bonds.

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

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

"Series 1975 Bond" means the outstanding Water Revenue Bond, Series 1975, of the Issuer described in Section 1.02G hereof.

"Series 1994 Bond" means the outstanding Water Revenue Bond, Series 1994, of the Issuer described in Section 1.02G hereof.

"Series 2003 A Bonds" means the Water Revenue Bonds, Series 2003 A (West Virginia DWTRF 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 by Section 5.02 hereof.

"Series 2003 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 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.

"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, all funds and accounts established or continued hereunder.

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

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

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

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

## ARTICLE II

### AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

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

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$2,110,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2003 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed \$2,110,000, of which \$760,000 will be obtained from proceeds of the Series 2003 A Bonds, and \$1,350,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

### ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003 A Bonds, funding the Series 2003 A Bond Reserve Account, 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 the Series 2003 A Bonds of the Issuer. The Series 2003 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program)," in the principal amount of not more than \$760,000, 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 Loan 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, if any, on the Series 2003 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 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 denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 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 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2003 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of 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 Series 2003 A Bonds or transferring the registered Series 2003 A Bonds are exercised, all Series 2003 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2003 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2003 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003 A Bonds or, in the case of any proposed redemption of Series 2003 A Bonds, next preceding the date of the selection of Series 2003 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 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 Positions with respect to Prior Bonds. The payment of the debt service of all 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 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 Loan 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 BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
HAMRICK PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS, SERIES 2003 A  
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

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

KNOW ALL MEN BY THESE PRESENTS: That HAMRICK PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Tucker 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, 200\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 200\_\_\_, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated \_\_\_\_\_, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on \_\_\_\_\_, 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 (1) WATER REVENUE BOND, SERIES 1975, DATED SEPTEMBER 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$314,000; AND (2) WATER REVENUE BOND, SERIES 1994, DATED MAY 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$229,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from 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 all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the 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 that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2003 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

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

\_\_\_\_\_,

as Registrar

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



EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Bonds: Approval and Ratification of Execution of Loan Agreement. The Series 2003 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

## ARTICLE V

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

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Reserve Fund (established by the Prior Resolutions);
- (3) Replacement Fund (established by the Prior Resolutions); and
- (4) 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 (or continued if previously established by Prior Resolutions) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2003 A Bonds Sinking Fund; and
- (2) Within the Series 2003 A Bonds Sinking Fund, the 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 in the Prior Resolutions and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided in this Bond Legislation and in the Prior Resolutions. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the National Finance Office the amounts 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 simultaneously (i) remit to the National Finance Office the amounts required by the Prior Resolutions to pay the principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, remit to the Commission for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3 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 simultaneously (i) remit to the Depository Bank the amount required by the Prior Resolutions to be deposited in the Reserve Fund for the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, if not fully funded upon issuance of the Series 2003 A Bonds, remit to the Commission 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 simultaneously remit to the Depository Bank for deposit in the Replacement Fund (i) the amount required by the Prior Resolutions to be deposited in the Replacement Fund for the Prior Bonds; and (ii) an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of

any payments for account of any Reserve Account, so long as the Series 2003 A Bonds are outstanding. All funds in the 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 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Replacement Fund.

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

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 purpose 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 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 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 such account to an amount 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 accounts 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 when the aggregate amount of funds therein are at least equal to the respective 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, 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 funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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 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 set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 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 Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

F. The 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 relevant provisions of the Prior Resolutions, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

## ARTICLE VI

### BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds: Pledge of Unexpended Bond Proceeds. From the 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; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2003 A Bonds for the period commencing on the date of issuance of the Series 2003 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

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 of 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 BPH.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2003 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003 A Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

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

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

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

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

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

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

Pending such application, monies in the Series 2003 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 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 or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 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. 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 the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2003 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered September 18, 2002 (Case No. 01-0686-PWD-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 Loan 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 required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Resolutions. Additionally, so long as the Series 2003 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 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 Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 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 Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with a professional engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of

\$50,000, shall, with the consent of the BPH and the Authority, be remitted to the Commission for deposit in the Replacement Fund. Payment of such proceeds into the Revenue Fund or the Replacement Fund shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 A Bonds and the Prior 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 BPH prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 A Bonds, except with the prior written consent of the Authority and the BPH under the conditions and in the manner herein provided.

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

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

So long as the Prior Bonds are Outstanding, 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 for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds are no longer outstanding, the following parity requirement shall be met:

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

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

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

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

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

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

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

Section 7.08.      Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring,

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

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

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2003 A Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2003 A Bonds. Such audit report submitted to the BPH and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit D of the Loan Agreement for the Series 2003 A Bonds 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that

the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 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 amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2003 A Bonds Reserve Account and any 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. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

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

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

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

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

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

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

Section 7.15.      Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 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 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 Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during

construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH and the Issuer shall verify such

insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

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

Section 7.17. Completion, Operation and Maintenance of Project: Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2003 A Bonds are outstanding.

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

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Series 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 and 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 7.19. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

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

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of

changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 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 BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2003 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2003 A Bonds made available due to bid or construction or project underruns.

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

## ARTICLE VIII

### INVESTMENT OF FUNDS

Section 8.01.      Investments. Any 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 may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2003 A Bonds are Outstanding.

Section 8.02.      Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 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 BPH,

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 BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall furnish the Authority with information relating to the earnings on and the 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 Series 2003 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2003 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2003 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2003 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders 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 Series 2003 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 Series 2003 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 Series 2003 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2003 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2003 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of

the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

### PAYMENT OF BONDS

Section 10.01.      Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 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.

## 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 the Series 2003 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2003 A Bonds, required for consent to the above-permitted amendments or modifications.

Section 11.02.     Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 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 BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Hamrick Public Service District  
Post Office Box 228  
Hendricks, West Virginia 26271  
Attention: Chairman

AUTHORITY:

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

BPH:

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

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

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

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

Section 11.08. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Hamrick Public Service 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;

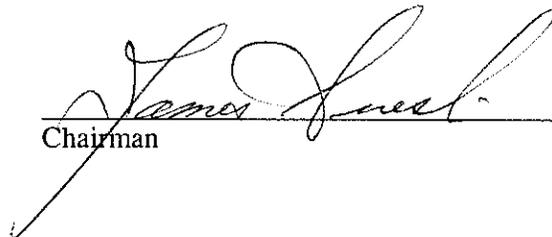
(c) The public service properties to be acquired or constructed and the cost of the same;

(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 17th day of March, 2003.

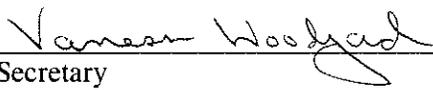
  
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board  
of HAMRICK PUBLIC SERVICE DISTRICT on 17th day of March, 2003.

Dated: March 31, 2003.

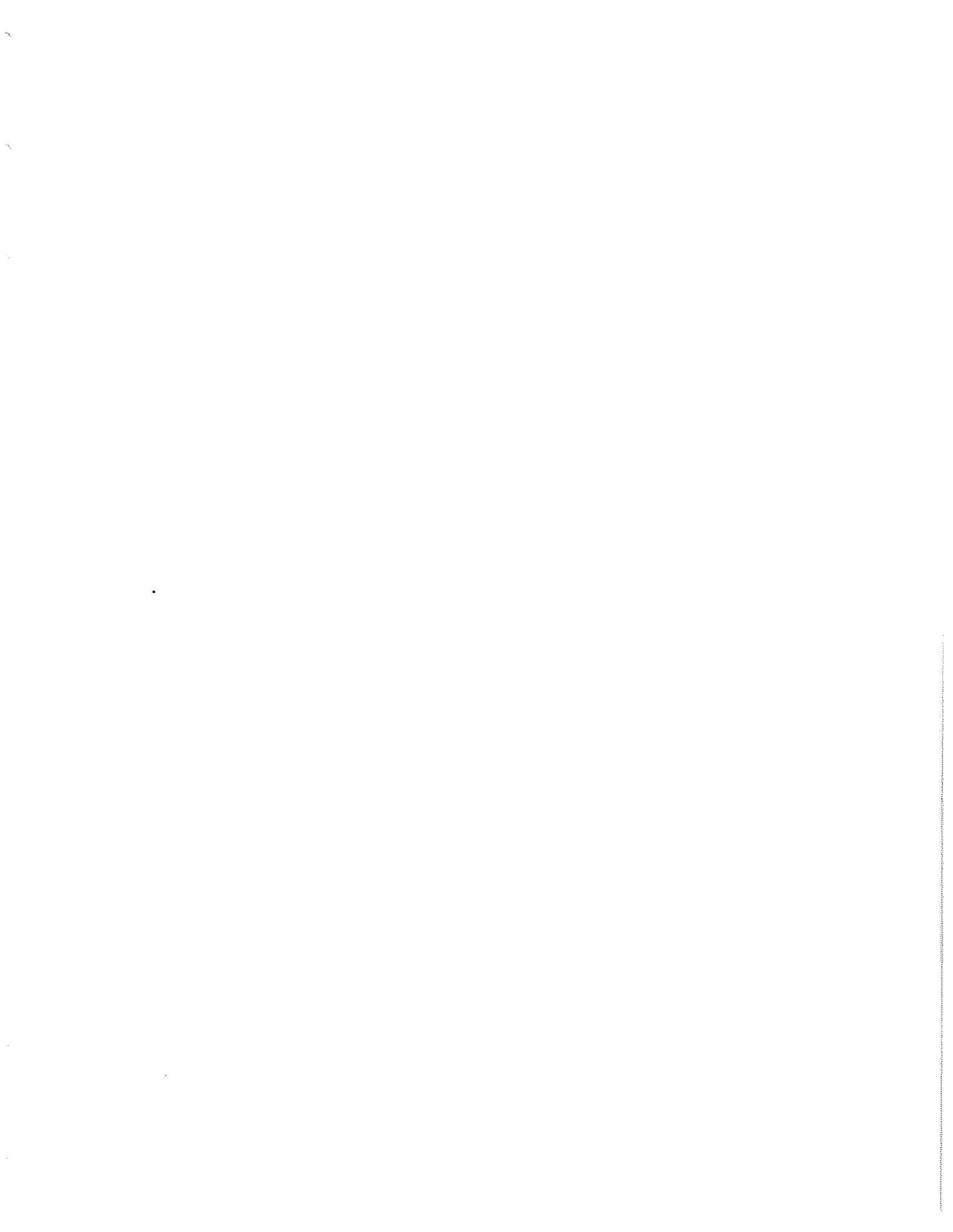
[SEAL]

  
Secretary

03/17/03  
373420.00001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA DWTRF PROGRAM), OF HAMRICK PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Hamrick Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective March 17, 2003 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF HAMRICK PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$760,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE

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

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed \$760,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2003 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$760,000. The Series 2003 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2034, 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, 2004, and maturing March 1, 2034, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2003 A Bonds. The Series 2003 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2003 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2003 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

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

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

Section 4. The Issuer does hereby appoint and designate 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 Citizens National Bank, Parsons, 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 in or credited to the Series 2003 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about March 31, 2003, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies 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 monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2003 A Bonds Sinking Fund, including the Series 2003 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

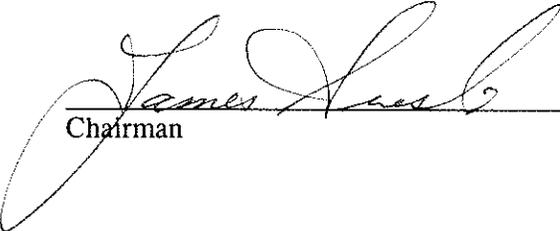
Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986,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

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 17th day of March, 2003.

HAMRICK PUBLIC SERVICE DISTRICT

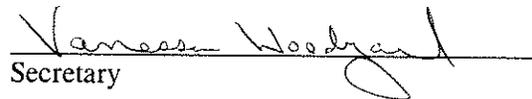
  
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Hamrick Public Service District on the 17th day of March, 2003.

Dated: March 31, 2003.

[SEAL]

  
Secretary

03/17/03  
373420.00001

DWTRF  
(03/26/02)

LOAN AGREEMENT

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

HAMRICK PUBLIC SERVICE DISTRICT  
(Local Entity)

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE I

### Definitions

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### The Project and the System

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

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

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

2.4 The Local Entity agrees that the Authority and BPH and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Entity further agrees that the Authority and BPH and their respective duly authorized agents shall, prior to, 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

2.12 The Local Entity, commencing on the date contracts are executed for the 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 A and incorporated herein by reference, and forward a copy by the 10th of each month to BPH and the Authority.

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

### ARTICLE III

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

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

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

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

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

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

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

(f) The Local Entity shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the

Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

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

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated

from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

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

## ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues

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

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

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

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

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

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

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

(xii) That the Local Entity shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance

of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and BPH within 30 days of adoption thereof;

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

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

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

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

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

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

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

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

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

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

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined

in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

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

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

## ARTICLE V

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

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

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

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

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

## ARTICLE VI

### Other Agreements of the Local Entity

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

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were

made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

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

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

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

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

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

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

HAMRICK PUBLIC SERVICE DISTRICT

[Name of Local Entity]

(SEAL)

By: *James [Signature]*

Its: Chairman

Attest:

Date: March 31, 2003

*Vanessa Woodard*  
Its: Secretary

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

(SEAL)

By: *Daniel B. [Signature]*

Its: Director

Attest:

Date: March 31, 2003

*Barbara B Meadows*  
Its: Secretary-Treasurer

000832/00520  
03/26/02

EXHIBIT A

MONTHLY FINANCIAL REPORT

Name of Local Entity \_\_\_\_\_  
 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 Entity to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ( $\$1,200/12$ ). 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 Entity 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 Entity.

**The Local Entity 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 B**

PAYMENT REQUISITION FORM

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

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

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

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

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

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

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

\_\_\_\_\_  
<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

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

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

\_\_\_\_\_.

[SEAL]

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

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

\_\_\_\_\_  
"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 D

### SPECIAL CONDITIONS

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



**EXHIBIT F**

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311-1217

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 760,000

Purchase Price of Local Bonds \$ 760,000

The Local Bonds shall bear no interest. Commencing June 1, 2004, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

Water Revenue Bond, Series 1975, dated September 1, 1977, issued in the original principal amount of \$314,000; and Water Revenue Bond, Series 1994, dated May 5, 1994, issued in the original principal amount of \$229,000, each held by the United States Department of Agriculture.

SCHEDULE Y

**Hamrick Public Service District**  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
6/01/2003	-	-	-
9/01/2003	-	-	-
12/01/2003	-	-	-
3/01/2004	-	-	-
6/01/2004	6,334.00	-	6,334.00
9/01/2004	6,334.00	-	6,334.00
12/01/2004	6,334.00	-	6,334.00
3/01/2005	6,334.00	-	6,334.00
6/01/2005	6,334.00	-	6,334.00
9/01/2005	6,334.00	-	6,334.00
12/01/2005	6,334.00	-	6,334.00
3/01/2006	6,334.00	-	6,334.00
6/01/2006	6,334.00	-	6,334.00
9/01/2006	6,334.00	-	6,334.00
12/01/2006	6,334.00	-	6,334.00
3/01/2007	6,334.00	-	6,334.00
6/01/2007	6,334.00	-	6,334.00
9/01/2007	6,334.00	-	6,334.00
12/01/2007	6,334.00	-	6,334.00
3/01/2008	6,334.00	-	6,334.00
6/01/2008	6,334.00	-	6,334.00
9/01/2008	6,334.00	-	6,334.00
12/01/2008	6,334.00	-	6,334.00
3/01/2009	6,334.00	-	6,334.00
6/01/2009	6,334.00	-	6,334.00
9/01/2009	6,334.00	-	6,334.00
12/01/2009	6,334.00	-	6,334.00
3/01/2010	6,334.00	-	6,334.00
6/01/2010	6,334.00	-	6,334.00
9/01/2010	6,334.00	-	6,334.00
12/01/2010	6,334.00	-	6,334.00
3/01/2011	6,334.00	-	6,334.00
6/01/2011	6,334.00	-	6,334.00
9/01/2011	6,334.00	-	6,334.00
12/01/2011	6,334.00	-	6,334.00
3/01/2012	6,334.00	-	6,334.00
6/01/2012	6,334.00	-	6,334.00
9/01/2012	6,334.00	-	6,334.00
12/01/2012	6,334.00	-	6,334.00
3/01/2013	6,334.00	-	6,334.00
6/01/2013	6,334.00	-	6,334.00
9/01/2013	6,334.00	-	6,334.00
12/01/2013	6,334.00	-	6,334.00
3/01/2014	6,334.00	-	6,334.00
6/01/2014	6,333.00	-	6,333.00
9/01/2014	6,333.00	-	6,333.00
12/01/2014	6,333.00	-	6,333.00

**Hamrick Public Service District**  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
3/01/2015	6,333.00	-	6,333.00
6/01/2015	6,333.00	-	6,333.00
9/01/2015	6,333.00	-	6,333.00
12/01/2015	6,333.00	-	6,333.00
3/01/2016	6,333.00	-	6,333.00
6/01/2016	6,333.00	-	6,333.00
9/01/2016	6,333.00	-	6,333.00
12/01/2016	6,333.00	-	6,333.00
3/01/2017	6,333.00	-	6,333.00
6/01/2017	6,333.00	-	6,333.00
9/01/2017	6,333.00	-	6,333.00
12/01/2017	6,333.00	-	6,333.00
3/01/2018	6,333.00	-	6,333.00
6/01/2018	6,333.00	-	6,333.00
9/01/2018	6,333.00	-	6,333.00
12/01/2018	6,333.00	-	6,333.00
3/01/2019	6,333.00	-	6,333.00
6/01/2019	6,333.00	-	6,333.00
9/01/2019	6,333.00	-	6,333.00
12/01/2019	6,333.00	-	6,333.00
3/01/2020	6,333.00	-	6,333.00
6/01/2020	6,333.00	-	6,333.00
9/01/2020	6,333.00	-	6,333.00
12/01/2020	6,333.00	-	6,333.00
3/01/2021	6,333.00	-	6,333.00
6/01/2021	6,333.00	-	6,333.00
9/01/2021	6,333.00	-	6,333.00
12/01/2021	6,333.00	-	6,333.00
3/01/2022	6,333.00	-	6,333.00
6/01/2022	6,333.00	-	6,333.00
9/01/2022	6,333.00	-	6,333.00
12/01/2022	6,333.00	-	6,333.00
3/01/2023	6,333.00	-	6,333.00
6/01/2023	6,333.00	-	6,333.00
9/01/2023	6,333.00	-	6,333.00
12/01/2023	6,333.00	-	6,333.00
3/01/2024	6,333.00	-	6,333.00
6/01/2024	6,333.00	-	6,333.00
9/01/2024	6,333.00	-	6,333.00
12/01/2024	6,333.00	-	6,333.00
3/01/2025	6,333.00	-	6,333.00
6/01/2025	6,333.00	-	6,333.00
9/01/2025	6,333.00	-	6,333.00
12/01/2025	6,333.00	-	6,333.00
3/01/2026	6,333.00	-	6,333.00
6/01/2026	6,333.00	-	6,333.00
9/01/2026	6,333.00	-	6,333.00

**Hamrick Public Service District**  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

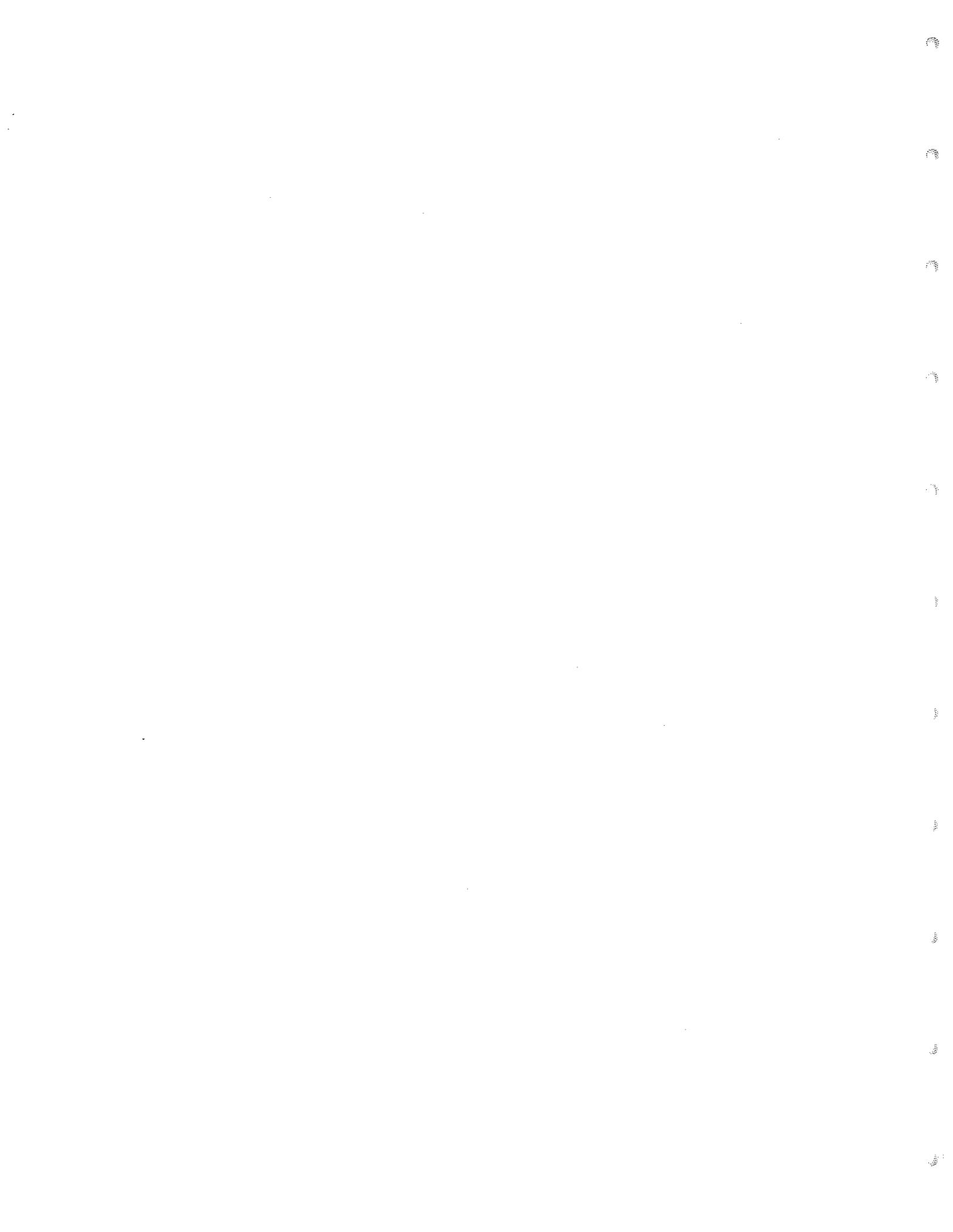
**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
12/01/2026	6,333.00	-	6,333.00
3/01/2027	6,333.00	-	6,333.00
6/01/2027	6,333.00	-	6,333.00
9/01/2027	6,333.00	-	6,333.00
12/01/2027	6,333.00	-	6,333.00
3/01/2028	6,333.00	-	6,333.00
6/01/2028	6,333.00	-	6,333.00
9/01/2028	6,333.00	-	6,333.00
12/01/2028	6,333.00	-	6,333.00
3/01/2029	6,333.00	-	6,333.00
6/01/2029	6,333.00	-	6,333.00
9/01/2029	6,333.00	-	6,333.00
12/01/2029	6,333.00	-	6,333.00
3/01/2030	6,333.00	-	6,333.00
6/01/2030	6,333.00	-	6,333.00
9/01/2030	6,333.00	-	6,333.00
12/01/2030	6,333.00	-	6,333.00
3/01/2031	6,333.00	-	6,333.00
6/01/2031	6,333.00	-	6,333.00
9/01/2031	6,333.00	-	6,333.00
12/01/2031	6,333.00	-	6,333.00
3/01/2032	6,333.00	-	6,333.00
6/01/2032	6,333.00	-	6,333.00
9/01/2032	6,333.00	-	6,333.00
12/01/2032	6,333.00	-	6,333.00
3/01/2033	6,333.00	-	6,333.00
6/01/2033	6,333.00	-	6,333.00
9/01/2033	6,333.00	-	6,333.00
12/01/2033	6,333.00	-	6,333.00
3/01/2034	6,333.00	-	6,333.00
<b>Total</b>	<b>760,000.00</b>	<b>-</b>	<b>760,000.00 *</b>

\*Plus \$957.89 one-percent administrative fee paid quarterly. Total fee over the life of the loan is \$114,946.80.

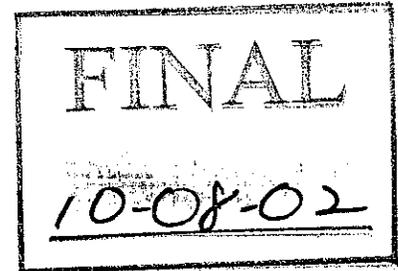
Ferris, Baker Watts  
 West Virginia Public Finance Office

File = Hamrick PSD Loans.sf-DWTRF 3-11-3- SINGLE PURPOSE  
 3/11/2003 2:10 PM



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Issued: September 18, 2002



CASE NO. 01-0686-PWD-CN

HAMRICK PUBLIC SERVICE DISTRICT,  
a public utility.

Application for a certificate of convenience and necessity to upgrade the District's water treatment plant and to extend water utility service to approximately 125 customers in the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas in Tucker County.

RECOMMENDED DECISION

On April 25, 2002, Hamrick Public Service District (District), by counsel Pat A. Nichols, filed with the Public Service Commission (Commission), pursuant to W.Va. Code §§ 16-13A-25 and 24-2-11, a duly verified application for a certificate of convenience and necessity to upgrade the District's water treatment plant and to extend water utility service to approximately 125 customers in the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas in Tucker County, West Virginia. The District also requested approval of financing for the project, and for increases in the rates for water service.

On May 31, 2002, the Commission directed the District to publish a Notice of Filing, and referred this matter to the Division of Administrative Law Judges (ALJ Division) for decision on or before November 21, 2002.

On June 24 and 26, 2002, protests were filed to the rates the District was proposing, which would become effective upon completion of the project.

*Handwritten mark*

On July 1, 2002, the undersigned ALJ issued a Procedural Order requiring Commission Staff to file its final recommendation no later than July 24, 2002. Hearing was scheduled for 10 a.m. on August 8, 2002, in Parsons City Hall, Magistrate Courtroom, 201 Walnut Street, Parsons, West Virginia. The District was ordered to publish a Notice of Hearing that was attached to the order.

Also on July 1, 2002, Mr. Owen filed an Initial Joint Staff Memorandum, with an attached memorandum from Audra L. Blackwell, Technical Analyst I, Engineering Division, and William A. Nelson, Utilities Analyst Supervisor, and Scott McNeely, Utilities Analyst, Water and Waste Water Division.

On July 3, 2002, the undersigned ALJ issued a Procedural Order requiring the District to publish a revised Notice of Hearing, which was attached.

On July 5, 2002, the affidavit establishing publication of the Notice of Filing on June 19, 2002, in The Parsons Advocate was filed.

On July 29, 2002, Mr. Owen filed the Final Joint Staff Memorandum, with an attached memorandum from Mr. Nelson, Mr. McNeely, and Ms. Blackwell.

Hearing was held as scheduled. Mr. Nichols and Mr. Owen made their appearances. Mr. Owens explained the need for rate increases, explaining that, while the project is largely grant-funded, a loan is necessary, which will need to be repaid, and that some increase in operation and maintenance expenses will result from the project. (Tr. 6-7). The Initial and Final Joint Staff Memoranda were entered into evidence as Staff Exhibits 1 and 2, respectively. The project engineer, Randy Watson, of Thasher Engineering, further explained,

The project is a \$2,110,000 project, total. It's financed by an \$850,000 Small Cities Block Grant and it's a \$1,260,000 Drinking Water Treatment Revolving loan at zero percent interest and a one percent administrative fee. This project is in two parts. One part involves upgrading the existing water treatment plant that was built in 1976 for 400 customers. Now the District currently has 620 customers, so it's undersized to begin with. We're going to do improvements to the plant which will enable that plant to produce water in accordance with new drinking water treatment laws that will come into effect in January, 2004. . . .

As far as the extension goes, we're going out to the Holly Meadows area and the Lead Mine/Horseshoe Run area to pick up an additional 125 customers. That will not change the pressure in Hendricks/Hambleton area and it will not affect the chlorine levels. Everyone from across the bend in Cheat River past Mr. Keese's property going toward Camp Horsehoe will be off a separate tank. There will be a booster pump there

that pumps water to a tank that's located across from Camp Horseshoe, a 71,000 gallon tank that will provide pressure to everyone from there clear to Shaffer.

Tr. 13-14). Mr. Nelson more fully explained the financial aspects of this matter. (Tr. 18-26). Seven individuals made statements protesting the proposed rate increases. (Tr. 28-43).

On August 16, 2002, Mr. Nichols filed an August 6, 2002 letter from Governor Bob Wise awarding the District an additional Small Cities Block Grant of \$500,000. Also filed was a letter from the District's accountant, clarifying that, with the additional funding, the loan would be in the amount of \$760,000. The accountant provided a proposed tariff, with rates lowered from the previously proposed and Staff-recommended rates. Mr. Nichols explained that the information regarding the grant had not been available at the time of the hearing.

On August 19, 2002, the undersigned ALJ issued a Procedural Order stating that she would accept the revised proposed rates unless Commission Staff filed an objection.

On the same date the District, by counsel, filed an affidavit establishing publication of the Notice of Hearing on July 24, 2002, in The Parsons Advocate.

On August 30, 2002, Mr. Owen filed a Second Final Joint Staff Memorandum, with an attached memorandum from Mr. Nelson, Mr. McNeely, and Ms. Blackwell. Staff recommended that the revised proposed rates be approved, with the minimum charges adjusted per the AWWA meter size multipliers.

### DISCUSSION

As the August 19, 2002 Procedural Order indicated, the record supports that the certificate should be granted and that the rate increases necessary to pay for the project should be approved. The statements of the protestants will not be discussed in full because the proposed rates that they were protesting have been significantly lowered by the additional grant of \$500,000. It may be noted that several of the protestants supported the project (See Tr. 29, 31, 34-35); the only objections were to the rate increases necessary to pay for it. Two protestants contended that the new customers should pay for the project. (Tr. 34-35, 38). It must be stressed that only part of the project is the expansion of the system; upgrading the treatment plant benefits all customers. In any case, it would be chaotic to attempt to divide up the costs of various projects among various groups of customers and charge different rates to different groups; it could not be done with any fairness. The present customers of the District should understand that any improvements in the future that may benefit them alone will be paid for by all of the District's ratepayers, including the new customers that will be added by this project.

## FINDINGS OF FACT

1. On April 25, 2002, Hamrick Public Service District filed with the Public Service Commission a duly verified application for a certificate of convenience and necessity to upgrade the District's water treatment plant and to extend water utility service to approximately 125 customers in the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas in Tucker County, West Virginia. The District also requested approval of financing for the project, and for increases in the rates for water service. (See application).

2. The Notice of Filing was published on June 19, 2002, in The Parsons Advocate, and protests were filed. (See affidavit of publication filed July 5, 2002; protests filed June 24 and 26, 2002).

3. A Notice of Hearing was published on July 24, 2002, in The Parsons Advocate, and hearing was held on August 8, 2002. (See affidavit of publication filed August 19, 2002; transcript).

4. The total project cost is estimated at \$2,100,000, including construction costs of \$1,833,500. (See application; Staff Exhibits 1 and 2; Tr. 13).

5. On December 3, 2001, the District was issued an Office of Environmental Health Service Permit No. 15,096 granting approval to upgrade the existing water treatment plant. (See permit filed December 7, 2001; Staff Exhibits 1 and 2).

6. At the time of the hearing the proposed funding was an \$850,000 Small Cities Block Grant and an interest-free \$1,260,000 Drinking Water Treatment Revolving Fund loan, with a 1% administrative fee. The proposed and Staff-recommended rate increases were necessary to repay the loan, and for incidental expenses occasioned by the proposed project. (See Staff Exhibits 1 and 2).

7. Post-hearing the District was awarded an additional Small Cities Block Grant of \$500,000, which allowed the Drinking Water Treatment Revolving Fund loan to be reduced to \$760,000, and also allowed for lower rate increases than those at issue at the hearing. The District proposed revised rates. (See August 16, 2002 filing).

8. Staff recommended that the project, the revised funding, and the revised proposed rate increases, with the minimum charges adjusted per AWWA meter size multipliers, be approved. Staff also recommended an incremental cost of water rate of \$0.28 per M gallons. (See Appendix A hereto; Second Final Joint Staff Memorandum filed August 30, 2002).

9. The average residential bill (for 4,500 gallons of water used per month) under the proposed rates at issue at the hearing would have been \$37.20. Under the revised proposed and Staff-

recommended rates the average bill would be \$34.04. The revised rates reduced the increase from approximately 26% to 15.3%. (See Second Final Joint Staff Memorandum).

10. The protests were to the rates at issue at the hearing, and provided no reasonable grounds for not approving the project and the revised rate increases necessitated by the project. (See Tr. 28-43).

### CONCLUSION OF LAW

It is appropriate to grant the application, pursuant to W.Va. Code §§16-13A-25 and 24-2-11, and to approve the project, its funding, and the rate increases, as provided in Appendix A hereto, because the public convenience and necessity require the project; the funding is appropriate; Commission Staff has recommended such approval; and no reasonable basis for disapproval thereof was established by public protest.

### ORDER

IT IS, THEREFORE, ORDERED that the application filed on April 25, 2002, by Hamrick Public Service District for a certificate of convenience and necessity to upgrade the District's water treatment plant and to extend water utility service to the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas in Tucker County, be granted, and the project be approved.

IT IS FURTHER ORDERED that the funding for the project, consisting of two Small Cities Block Grants totaling \$1,350,000, and an interest-free \$760,000 Drinking Water Treatment Revolving Fund loan, be approved.

IT IS FURTHER ORDERED that the rate increases as contained in the Approved Tariff, attached hereto as Appendix A, be approved, to become effective upon completion of the project.

IT IS FURTHER ORDERED that Hamrick Public Service District file with the Commission's Tariff Office an original and five (5) copies of the approved tariff within thirty (30) days of the date that the certificated project becomes operational.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$2,110,000, or in the terms, conditions, or scheduling of the project, Hamrick Public Service District file a petition with the Commission for approval of such revisions.

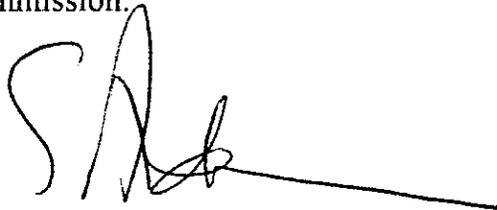
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

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 'SA', followed by a long horizontal line extending to the right.

Sunya Anderson  
Administrative Law Judge

SA:s  
010686ac.wpd

HAMRICK PUBLIC SERVICE DISTRICT  
CASE NO. 01-0686-PWD-CN  
APPROVED TARIFF

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service.

RATES

First	3,000 gallons used per month	\$7.85 per 1,000 gallons
Next	3,000 gallons used per month	\$6.99 per 1,000 gallons
Next	4,000 gallons used per month	\$5.81 per 1,000 gallons
Next	10,000 gallons used per month	\$5.08 per 1,000 gallons
All Over	20,000 gallons used per month	\$3.51 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter	\$ 23.55 per month
3/4 inch meter	\$ 35.33 per month
1 inch meter	\$ 58.88 per month
1-1/2 inch meter	\$ 117.75 per month
2 inch meter	\$ 188.40 per month
3 inch meter	\$ 353.25 per month
4 inch meter	\$ 588.75 per month
6 inch meter	\$1,177.50 per month
8 inch meter	\$1,884.00 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

\$300.00

RECONNECTION FEE

\$20.00

PRIVATE FIRE PROTECTION

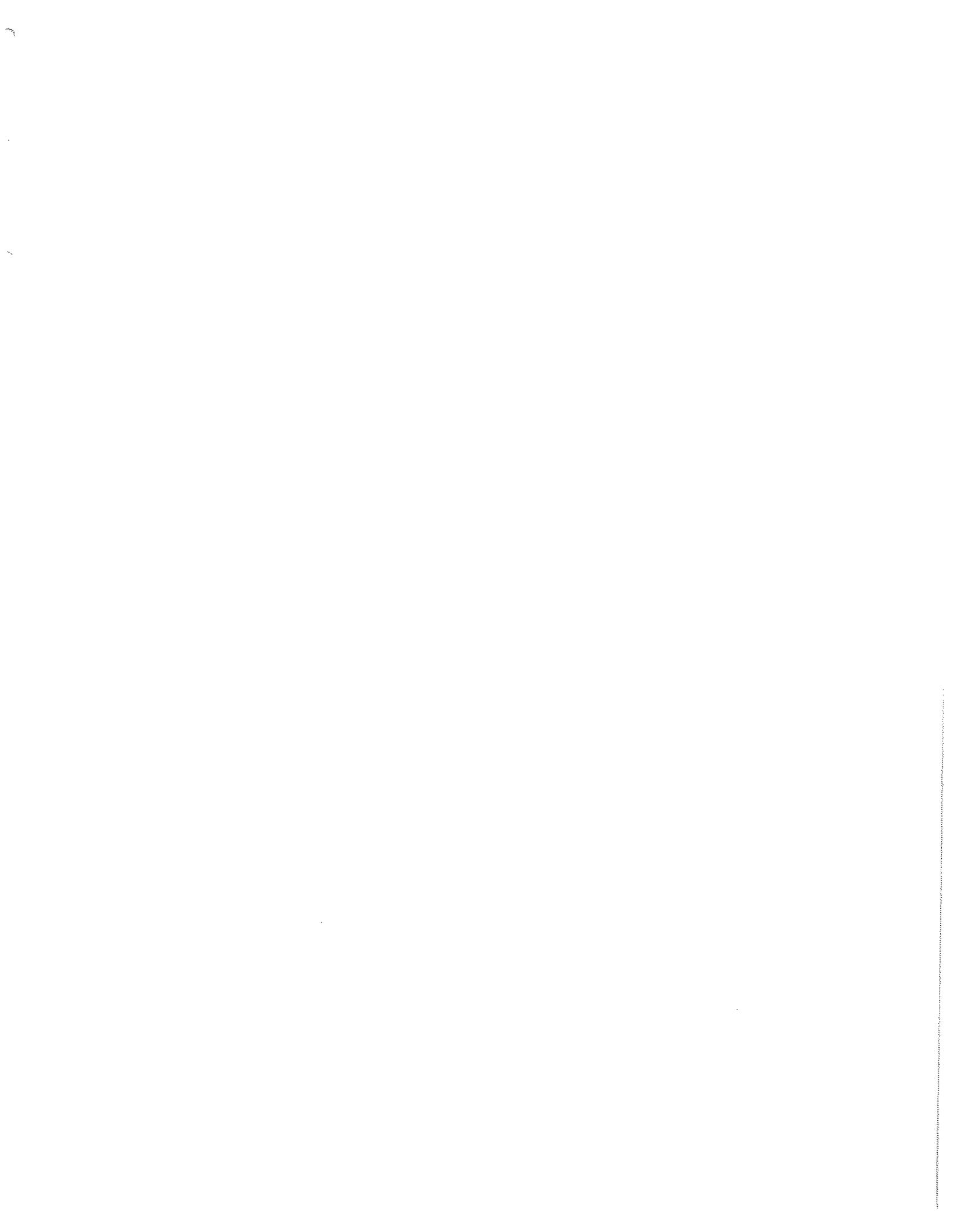
Fire Hydrants	\$70.00 per year
Sprinkler Heads	\$ 0.25 per year

RETURNED CHECK FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Hamrick Public Service 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 WATER

\$0.28 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.



# West Virginia Infrastructure & Jobs Development Council

Public Members:

Russell L. Isaacs, Chairman  
Cottageville  
Henry Harmon, Vice Chairman  
Hurricane  
Dwight Calhoun  
Petersburg  
William P. Stafford, II, Esq.  
Princeton

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

Katy Mallory, PE  
Executive Secretary

KMallory@ezwv.com

January 9, 2002

Mr. James J. Suesli, Commissioner  
Hamrick PSD  
P.O. Box 228  
Hendricks, WV 26271

Re: Hamrick Public Service District  
Water Project 96W-227

Dear Mr. Suesli:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Hamrick Public Service District's (the "District") revised preliminary application regarding its proposed project to construct a new sedimentation basin at the water plant, improve the existing raw water pump station, make miscellaneous water treatment improvements and extend waterlines on Horseshoe Run and Holly Meadows (the "Project").

Based on the findings of the Water 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 Water 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 Infrastructure Council recommends that the District utilize a Small Cities Block Grant of \$850,000 and a DWTRF loan of \$761,000, and pursue an additional DWTRF loan of \$499,00 to finance this \$2,110,000 Project. Please contact the WV Bureau for Public Health at 558-2981 for specific information on the steps the District needs to follow to apply for these funds. Please note that this letter does not constitute funding approval from these agencies.

Mr. James Suesli  
January 9, 2002  
Page 2

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

Sincerely,



Russell L. Isaacs

Enclosure

cc: Walt Ivey, BPH (w/o enclosure)  
Debbie Legg, WVDO (w/o enclosure)  
Region VII Planning & Development Council  
Randy Watson, Thrasher Engineering, Inc.



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 31st day of March, 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 Hamrick Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

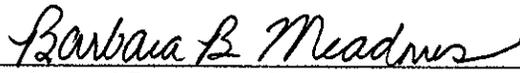
1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of \$760,000, numbered R-1 (the "Series 2003 A Bonds"), issued as a single, fully registered Bond, and dated March 31, 2003.

2. At the time of such receipt, all the Series 2003 A Bonds had been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

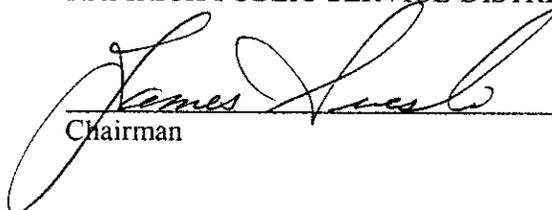
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2003 A Bonds, of \$18,719, being a portion of the principal amount of the Series 2003 A Bonds. The balance of the principal amount of the Series 2003 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

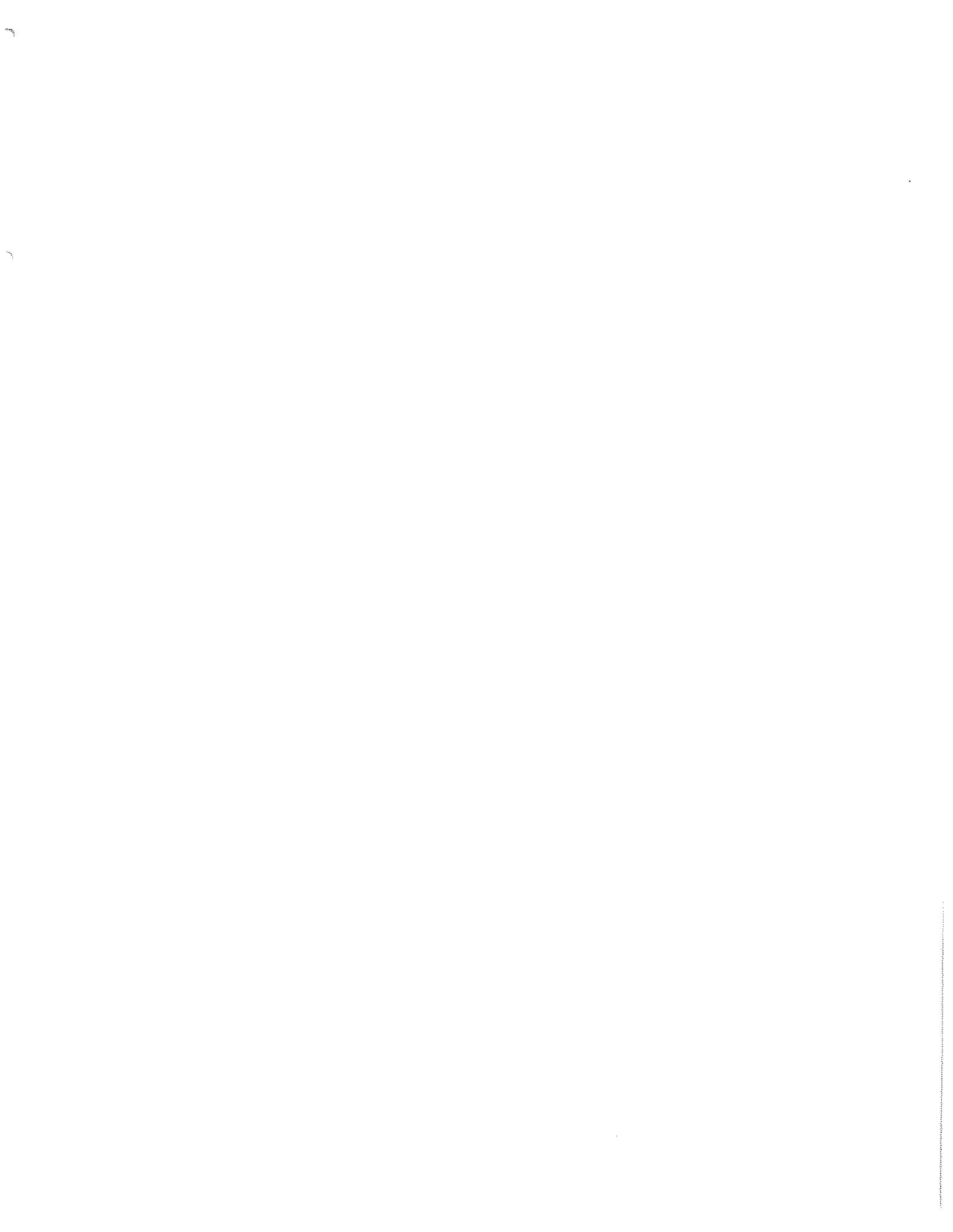
WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

  
\_\_\_\_\_  
Authorized Representative

HAMRICK PUBLIC SERVICE DISTRICT

  
\_\_\_\_\_  
Chairman

03/12/03  
373420.00001



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Huntington National Bank,  
as Bond Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 31st day of March, 2003:

(1) Bond No. AR-1, constituting the entire original issue of Hamrick Public Service District Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), in the principal amount of \$760,000, dated March 31, 2003 (the "Bonds"), executed by the Chairman and Secretary of Hamrick Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on 17th day of March, 2003, and a Supplemental Resolution duly adopted by the Issuer on 17th day of March, 2003 (collectively, the "Bond Legislation");

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

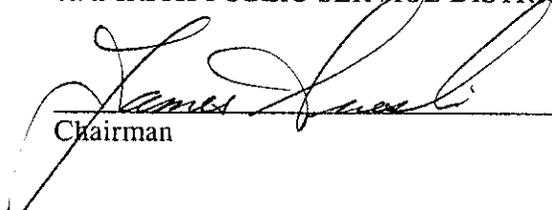
(3) Executed counterparts of a loan agreement for the Bonds, dated March 31, 2003, by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Bureau for Public Health (the "Loan Agreement");  
and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$18,719, 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.

HAMRICK PUBLIC SERVICE DISTRICT

  
Chairman

03/12/03  
373420.00001



**SPECIMEN**

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
HAMRICK PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS, SERIES 2003 A  
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

\$760,000

KNOW ALL MEN BY THESE PRESENTS: That HAMRICK PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Tucker 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 SEVEN HUNDRED SIXTY THOUSAND DOLLARS (\$760,000), 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, 2004, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2004, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated March 31, 2003.

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

under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on March 17, 2003, and a Supplemental Resolution duly adopted by the Issuer on March 17, 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 (1) WATER REVENUE BOND, SERIES 1975, DATED SEPTEMBER 1, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$314,000; AND (2) WATER REVENUE BOND, SERIES 1994, DATED MAY 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$229,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from 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 all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the 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 that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2003 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds. The Issuer has entered into certain further

# SPECIMEN

covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

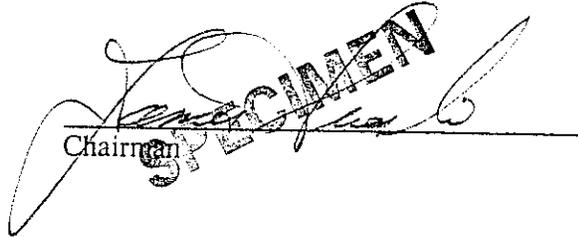
In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands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

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

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

IN WITNESS WHEREOF, HAMRICK PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated March 31, 2003.

[SEAL]

  
Chairman

ATTEST:

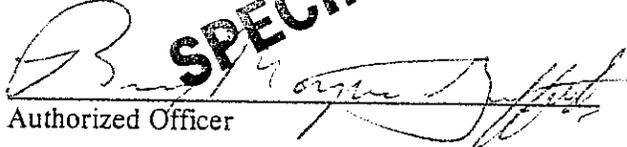
  
Secretary

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: March 31, 2003.

HUNTINGTON NATIONAL BANK,  
as Registrar

  
Authorized Officer

**SPECIMEN**

**SPECIMEN**

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$18,719	March 31, 2003	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	
TOTAL		\$	<u>                    </u>

EXHIBIT D  
DEBT SERVICE SCHEDULE

**Hamrick Public Service District**  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

SPECIMEN

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
6/01/2003	-	-	-
9/01/2003	-	-	-
12/01/2003	-	-	-
3/01/2004	-	-	-
6/01/2004	6,334.00	-	6,334.00
9/01/2004	6,334.00	-	6,334.00
12/01/2004	6,334.00	-	6,334.00
3/01/2005	6,334.00	-	6,334.00
6/01/2005	6,334.00	-	6,334.00
9/01/2005	6,334.00	-	6,334.00
12/01/2005	6,334.00	-	6,334.00
3/01/2006	6,334.00	-	6,334.00
6/01/2006	6,334.00	-	6,334.00
9/01/2006	6,334.00	-	6,334.00
12/01/2006	6,334.00	-	6,334.00
3/01/2007	6,334.00	-	6,334.00
6/01/2007	6,334.00	-	6,334.00
9/01/2007	6,334.00	-	6,334.00
12/01/2007	6,334.00	-	6,334.00
3/01/2008	6,334.00	-	6,334.00
6/01/2008	6,334.00	-	6,334.00
9/01/2008	6,334.00	-	6,334.00
12/01/2008	6,334.00	-	6,334.00
3/01/2009	6,334.00	-	6,334.00
6/01/2009	6,334.00	-	6,334.00
9/01/2009	6,334.00	-	6,334.00
12/01/2009	6,334.00	-	6,334.00
3/01/2010	6,334.00	-	6,334.00
6/01/2010	6,334.00	-	6,334.00
9/01/2010	6,334.00	-	6,334.00
12/01/2010	6,334.00	-	6,334.00
3/01/2011	6,334.00	-	6,334.00
6/01/2011	6,334.00	-	6,334.00
9/01/2011	6,334.00	-	6,334.00
12/01/2011	6,334.00	-	6,334.00
3/01/2012	6,334.00	-	6,334.00
6/01/2012	6,334.00	-	6,334.00
9/01/2012	6,334.00	-	6,334.00
12/01/2012	6,334.00	-	6,334.00
3/01/2013	6,334.00	-	6,334.00
6/01/2013	6,334.00	-	6,334.00
9/01/2013	6,334.00	-	6,334.00
12/01/2013	6,334.00	-	6,334.00
3/01/2014	6,334.00	-	6,334.00
6/01/2014	6,333.00	-	6,333.00
9/01/2014	6,333.00	-	6,333.00
12/01/2014	6,333.00	-	6,333.00

Hamrick Public Service District  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

SPECIMEN

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+i
3/01/2015	6,333.00	-	6,333.00
6/01/2015	6,333.00	-	6,333.00
9/01/2015	6,333.00	-	6,333.00
12/01/2015	6,333.00	-	6,333.00
3/01/2016	6,333.00	-	6,333.00
6/01/2016	6,333.00	-	6,333.00
9/01/2016	6,333.00	-	6,333.00
12/01/2016	6,333.00	-	6,333.00
3/01/2017	6,333.00	-	6,333.00
6/01/2017	6,333.00	-	6,333.00
9/01/2017	6,333.00	-	6,333.00
12/01/2017	6,333.00	-	6,333.00
3/01/2018	6,333.00	-	6,333.00
6/01/2018	6,333.00	-	6,333.00
9/01/2018	6,333.00	-	6,333.00
12/01/2018	6,333.00	-	6,333.00
3/01/2019	6,333.00	-	6,333.00
6/01/2019	6,333.00	-	6,333.00
9/01/2019	6,333.00	-	6,333.00
12/01/2019	6,333.00	-	6,333.00
3/01/2020	6,333.00	-	6,333.00
6/01/2020	6,333.00	-	6,333.00
9/01/2020	6,333.00	-	6,333.00
12/01/2020	6,333.00	-	6,333.00
3/01/2021	6,333.00	-	6,333.00
6/01/2021	6,333.00	-	6,333.00
9/01/2021	6,333.00	-	6,333.00
12/01/2021	6,333.00	-	6,333.00
3/01/2022	6,333.00	-	6,333.00
6/01/2022	6,333.00	-	6,333.00
9/01/2022	6,333.00	-	6,333.00
12/01/2022	6,333.00	-	6,333.00
3/01/2023	6,333.00	-	6,333.00
6/01/2023	6,333.00	-	6,333.00
9/01/2023	6,333.00	-	6,333.00
12/01/2023	6,333.00	-	6,333.00
3/01/2024	6,333.00	-	6,333.00
6/01/2024	6,333.00	-	6,333.00
9/01/2024	6,333.00	-	6,333.00
12/01/2024	6,333.00	-	6,333.00
3/01/2025	6,333.00	-	6,333.00
6/01/2025	6,333.00	-	6,333.00
9/01/2025	6,333.00	-	6,333.00
12/01/2025	6,333.00	-	6,333.00
3/01/2026	6,333.00	-	6,333.00
6/01/2026	6,333.00	-	6,333.00
9/01/2026	6,333.00	-	6,333.00

Hamrick Public Service District  
 DWTRF Loan of \$760,000  
 30 Years, 0% Interest Rate, 1% Administrative Fee  
 Closing Date: March 31, 2003

SPECIMEN

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
12/01/2026	6,333.00	-	6,333.00
3/01/2027	6,333.00	-	6,333.00
6/01/2027	6,333.00	-	6,333.00
9/01/2027	6,333.00	-	6,333.00
12/01/2027	6,333.00	-	6,333.00
3/01/2028	6,333.00	-	6,333.00
6/01/2028	6,333.00	-	6,333.00
9/01/2028	6,333.00	-	6,333.00
12/01/2028	6,333.00	-	6,333.00
3/01/2029	6,333.00	-	6,333.00
6/01/2029	6,333.00	-	6,333.00
9/01/2029	6,333.00	-	6,333.00
12/01/2029	6,333.00	-	6,333.00
3/01/2030	6,333.00	-	6,333.00
6/01/2030	6,333.00	-	6,333.00
9/01/2030	6,333.00	-	6,333.00
12/01/2030	6,333.00	-	6,333.00
3/01/2031	6,333.00	-	6,333.00
6/01/2031	6,333.00	-	6,333.00
9/01/2031	6,333.00	-	6,333.00
12/01/2031	6,333.00	-	6,333.00
3/01/2032	6,333.00	-	6,333.00
6/01/2032	6,333.00	-	6,333.00
9/01/2032	6,333.00	-	6,333.00
12/01/2032	6,333.00	-	6,333.00
3/01/2033	6,333.00	-	6,333.00
6/01/2033	6,333.00	-	6,333.00
9/01/2033	6,333.00	-	6,333.00
12/01/2033	6,333.00	-	6,333.00
3/01/2034	6,333.00	-	6,333.00
<b>Total</b>	<b>760,000.00</b>	<b>-</b>	<b>760,000.00</b>

\*Plus \$957.89 one-percent administrative fee paid quarterly. Total fee over the life of the loan is \$114,946.80.

**SPECIMEN**

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:

\_\_\_\_\_



March 31, 2003

Hamrick Public Service District  
Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

Hamrick Public Service District  
Hendricks, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Hamrick Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$760,000 Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated March 31, 2003, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2004, and maturing March 1, 2034, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Resolution duly adopted by the Issuer on March 17, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 17, 2003 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (1) Water Revenue Bond, Series 1975, dated September 1, 1977, issued in the original aggregate principal amount of \$314,000, and (2) Water Revenue Bond, Series 1994, dated May 5, 1994, issued in the original aggregate principal amount of \$229,000, both held by the United States Department of Agriculture, all in accordance with the terms of the Bonds and the Bond Legislation.

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

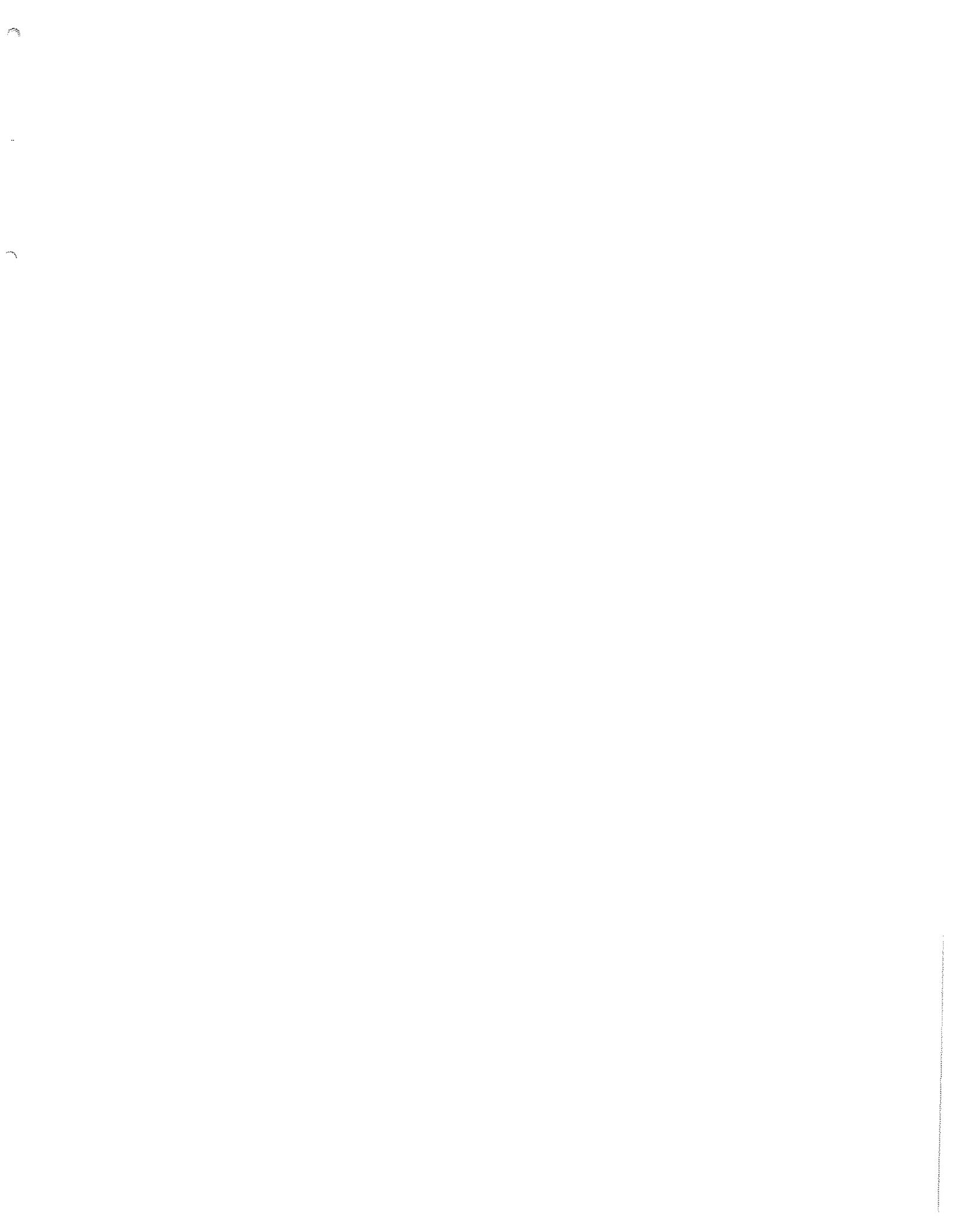
6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal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

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

We have examined the executed and authenticated Bond numbered 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



March 31, 2003

Hamrick Public Service District  
Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

Hamrick Public Service District  
Hendricks, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Steptoe & Johnson, PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Hamrick Public Service District, a public service district, in Tucker County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, LLC, as bond counsel, a loan agreement dated March 31, 2003, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health ("the BPH"), the Bond Resolution duly adopted by the Issuer on March 17, 2003, as supplemented by the Supplemental Resolution duly adopted by the Issuer on March 17, 2003 (collectively, the "Bond Legislation"), orders of The County Commission of Tucker County relating to the Issuer and the appointment of members of the Public Service Board of the issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All

capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer is duly created and validity existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

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

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

6. 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 Tucker County, the West Virginia Infrastructure and Jobs Development Council, the BPH and the Public Service Commission of West

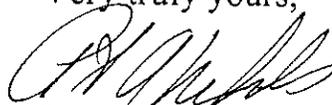
Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on September 18, 2002, in Case NO. 01-0686-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and the rates for the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

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

8. I have ascertained that all successfully bidders have made required provisions for all insurance and payment and performance bonds and verified such insurance policies or binders and such bonds for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence or 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) are adequate inform, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



Pat A. Nichols  
Counsel for Hamrick Public  
Service District

PAN:cw

cc: Michael Helmick



March 31, 2003

Hamrick Public Service District  
P.O. Box 228  
Hendricks, WV 26271

West Virginia Bureau for Public Health  
Office of Environment Health Services  
815 Quarrier Street, Suite 418  
Charleston, WV 25301

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

Steptoe & Johnson, LLC  
P.O. Box 1588  
Charleston, WV 25326-1588

RE: Final Title Opinion for  
Hamrick Public Service Dist.

Ladies and Gentlemen:

I am counsel to the Hamrick Public Service District (the "Issuer") in connection with a proposed project to construct a water line extension and issuance of Water Revenue Bonds Series 2003 A (the "Project"). I provide this final title opinion on behalf of the issuer to satisfy the requirements of the West Virginia Bureau For Public Health (the "BPH") 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 law of the State of West Virginia to construct, operate and maintain the Project as approved by the BPH.

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

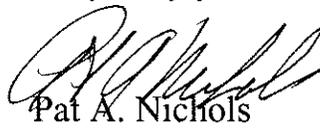
3. I have investigated and ascertained the location of, and are familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Thrasher Engineering, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Tucker County, West Virginia, the country 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 exceptions 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. That no properties are to be acquired by eminent domain in this Project.

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

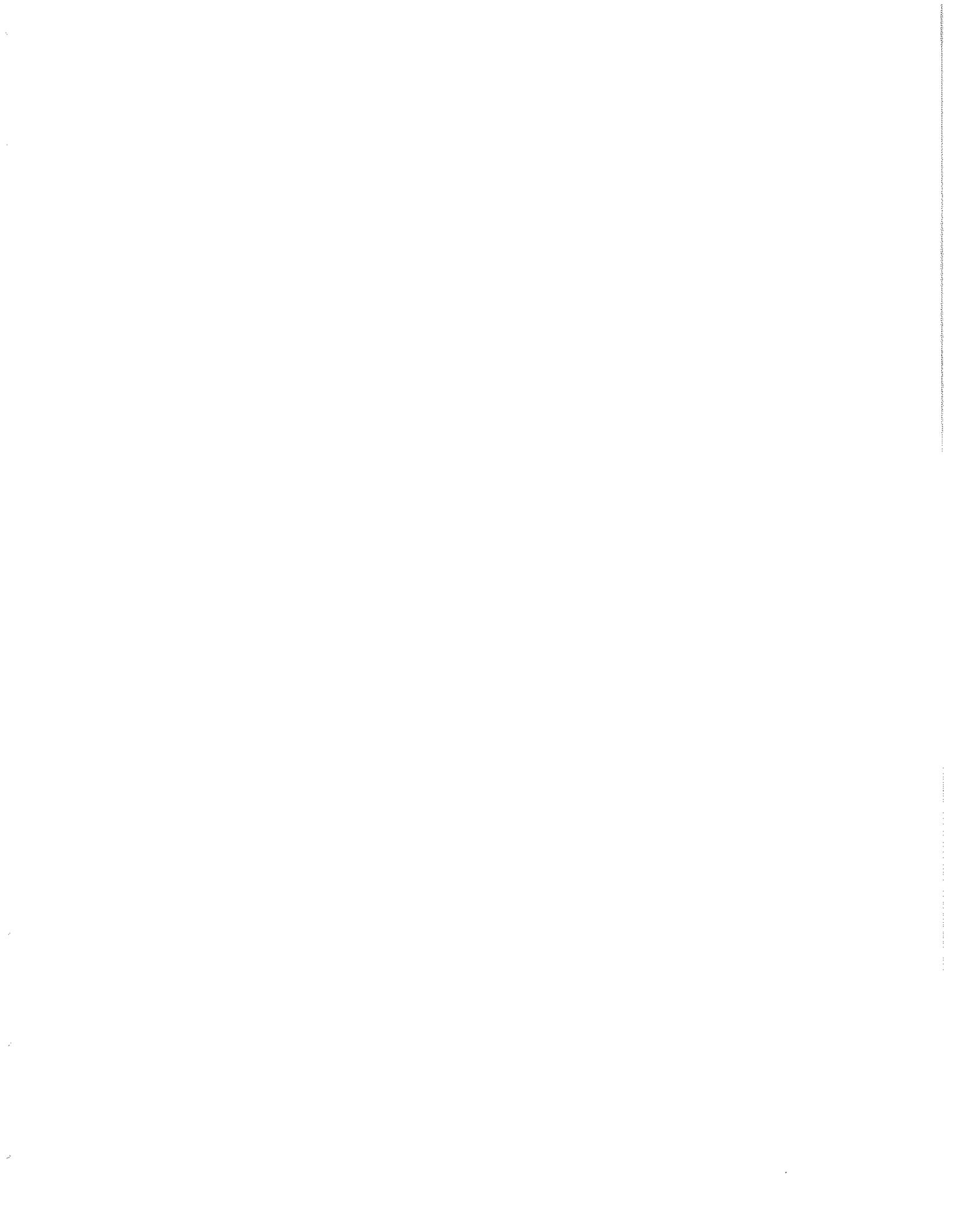
Very truly yours,



Pat A. Nichols

Counsel for Hamrick Public  
Service District

PAN:cw



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Hamrick Public Service District in Tucker County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Issuer's Water Revenue Bonds, Series 2003 A (West Virginia DWTRF 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 March 17, 2003, and the Supplemental Resolution duly adopted March 17, 2003 (collectively, the "Bond Legislation").

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

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2003 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Water Revenue Bond, Series 1975, dated September 1, 1977, issued in the original aggregate principal amount of \$314, 000; and (2) Water Revenue Bond, Series 1994, dated May 5, 1994, issued in the original aggregate principal amount of \$229,000 (collectively, the "Prior Bonds"), both held by the United States Department of Agriculture.

The Issuer has obtained the written consent of the Holder of the Prior Bonds to the issuance of the Series 2003 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation and Expansion of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Evidence of Small Cities Block Grant

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

Environmental Health Services Permit

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Hamrick Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Tucker County and presently existing under the laws of, and a public corporation and political subdivision of, the State of

West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
James Suesli	01/01/98	12/31/03
Jeffrey C. Kiess	01/01/00	12/31/05
Robert C. Summerfield	01/01/02	12/31/07

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	-	James Suesli
Secretary	-	Vanessa Woodyard
Treasurer	-	Michael Helmick

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

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

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

11. **RATES:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on September 18, 2002, in Case No. 01-0686-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has expired prior to the date hereof without any appeal having been filed. Such rates and charges will become effective upon completion of the Project.

12. **PUBLIC SERVICE COMMISSION ORDERS:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on September 18, 2002, in Case No. 01-0686-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof without any appeal having been filed. Such Order is 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 said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. **BOND PROCEEDS:** On the date hereof, the Issuer received \$18,719 from the Authority and the BPH, being a portion of the principal amount of the Series 2003 A

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 duly 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 BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. GRANTS: As of the date hereof, the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of \$1,350,000 is committed and in full force and effect.

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. SAFE DRINKING WATER ACT: The Project as described in the Bond Legislation complies with the Safe Drinking Water Act.

21. 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 HAMRICK PUBLIC SERVICE DISTRICT on this 4th day of March, 2003.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

\_\_\_\_\_  
 \_\_\_\_\_  
\_\_\_\_\_

Chairman

Secretary

Counsel to Issuer

03/12/03  
373420.00001

CH579438.1

WITNESS our signatures and the official seal of HAMRICK PUBLIC SERVICE DISTRICT on this 31st day of March, 2003.

[CORPORATE SEAL]

SIGNATURE

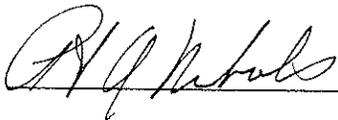
OFFICIAL TITLE

\_\_\_\_\_

Chairman

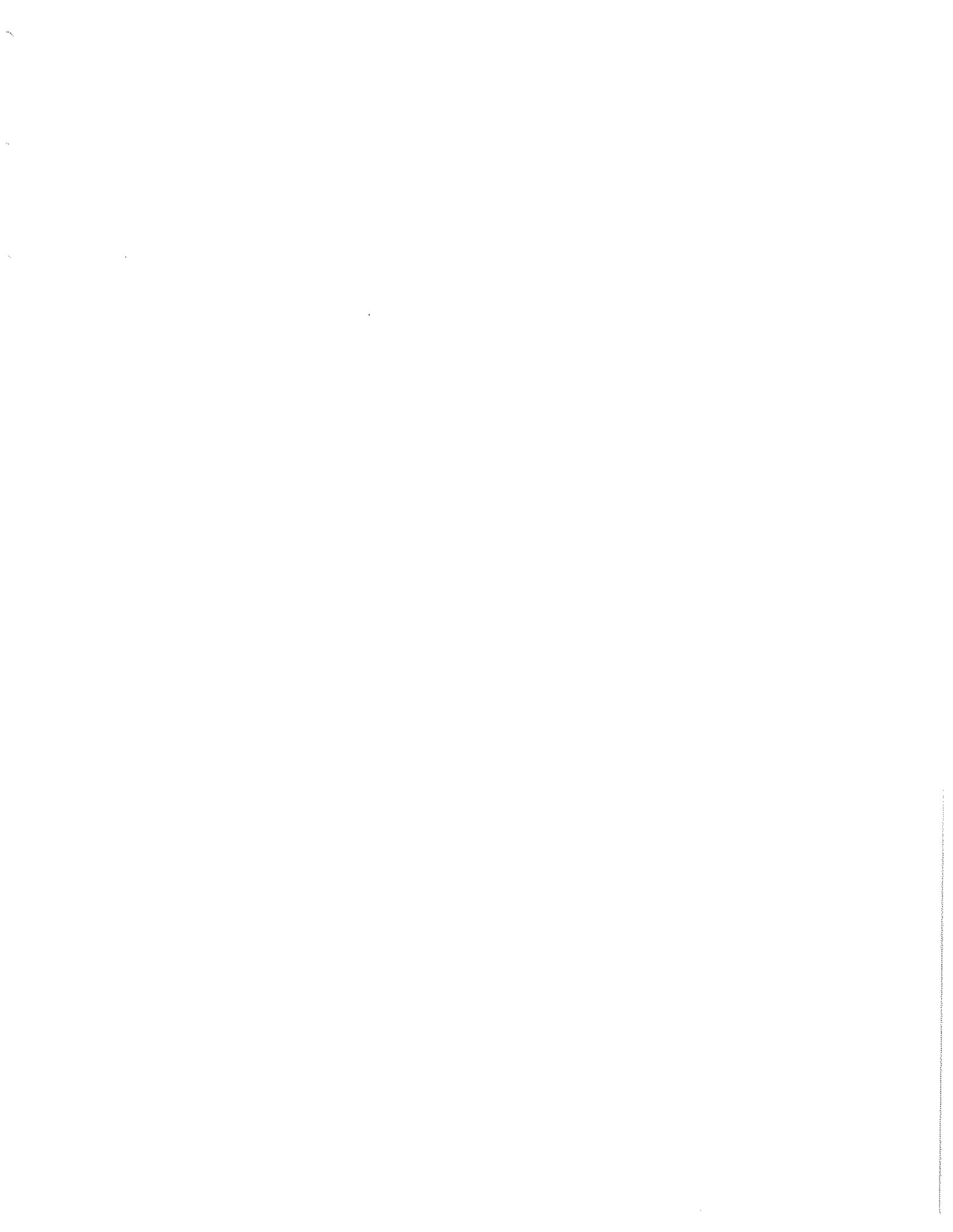
\_\_\_\_\_

Secretary

 \_\_\_\_\_

Counsel to Issuer

03/19/03  
373420.00001



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

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

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public waterworks facilities (the "System") of Hamrick Public Service District (the "Issuer") to be constructed in Tucker County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on March 17, 2003, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated March 31, 2003 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance hereof and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 31 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Issuer's counsel, Patrick A. Nichols, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful

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

WITNESS my signature and seal on this 31st day of March, 2003.

THRASHER ENGINEERING, INC.

(SEAL)

  
H. Wood Thrasher  
West Virginia License No. 9478

03/19/03  
373420.00001

**HAMRICK PUBLIC SERVICE DISTRICT  
SCHEDULE B - WATER PROJECT**

Water Project

Final Total Cost of Project, Sources of Funding and Cost of Financing

	Total	DWTRF	SCBG
<b>A. Cost of Project</b>			
1. Construction			
a. Contract No. 1	\$1,159,428.64	\$412,164.64	\$747,264.00
b. Contract No. 2	\$98,300.00	\$36,000.00	\$62,300.00
c. Contract No. 3	\$463,826.05	\$170,740.05	\$293,086.00
2. Engineering Fee			
a. Design	\$91,100.00	\$0.00	\$91,100.00
b. Inspection	\$76,250.00	\$0.00	\$76,250.00
c. Special Services	\$10,000.00	\$0.00	\$10,000.00
3. Legal	\$7,500.00	\$7,500.00	\$0.00
4. Administration	\$70,000.00	\$0.00	\$70,000.00
5. Sites and Other Lands	\$5,000.00	\$5,000.00	\$0.00
6. Contingency	\$112,095.31	\$112,095.31	\$0.00
7. Total of Lines 1 through 6	\$2,093,500.00	\$743,500.00	\$1,350,000.00
<b>B. Cost of Financing</b>			
8. Other Cost			
a. Bond Counsel	\$12,500.00	\$12,500.00	\$0.00
b. Accountant	\$3,500.00	\$3,500.00	\$0.00
c. Registrar	\$500.00	\$500.00	\$0.00
9. Total Cost of Financing	\$16,500.00	\$16,500.00	\$0.00
<b>Total Project Budget</b>	<b>\$2,110,000.00</b>	<b>\$760,000.00</b>	<b>\$1,350,000.00</b>

Governmental Agency

Consulting Engineering

Date:

Date:

3/17/03

3-25-03



# Imre David Pentek, CPA

---

P.O. Box 1390 Lewisburg, WV 24901 (304) 647-3949  
Fax: (304) 647-3498 E-Mail: imre@writeme.com

March 31, 2003

Hamrick Public Service District  
Water Revenue Bonds, Series 2003A  
(West Virginia Drinking Water Trust Revolving Fund Program)

Hamrick Public Service District  
Hendricks, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

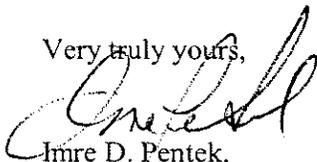
West Virginia Bureau for Public Health  
Charleston, West Virginia

Ladies and Gentleman:

Based upon the rates and charges set forth in the Final Order of the Public Service Commission of West Virginia entered September 18, 2002, in Case No. 01-0686-PWD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Thrasher Engineering, Inc., the consulting engineers of Hamrick Public Service District (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide revenues, together with other revenues of the waterworks system ("the System") of the Issuer, to provide revenues for all repair, operation and maintenance expenses of the System and to 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 Water Revenue Bonds, Series 2003A (West Virginia Drinking Water Trust Revolving Fund Program) (the "Bonds"), and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Issuer's Water Revenue Bonds, Series 1975 and Water Revenue Bond, Series 1994 (collectively, the "Prior Bonds") and meet any other requirements of the Prior Resolutions.

It is further my opinion that the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will not be less than 120% of the average annual debt service on the Bonds, and the Prior Bonds.

Very truly yours,



Imre D. Pentek,  
Certified Public Accountant



The CPA. Never Underestimate The Value.®



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Hamrick Public Service District in Tucker County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$760,000 Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), of the Issuer, dated March 31, 2003 (the "Bonds" or the "Series 2003 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 March 17, 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 March 31, 2003, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$18,719, being a portion 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") or the West Virginia Bureau for Public Health (the "BPH"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2003 A Bonds were sold on March 31, 2003, to the Authority, pursuant to a loan agreement dated March 31, 2003, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of \$760,000 (100% of par), at which time, the Issuer received \$18,719 from the Authority and the BPH, being the first advance of the principal amount of the Series 2003 A Bonds. No accrued interest has been or will be paid on 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 waterworks facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. The Issuer shall on the date hereof or immediately hereafter enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and 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 April 30, 2004. The acquisition and construction of the Project is expected to be completed by January 31, 2004.

8. The total cost of the Project is estimated at \$2,110,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	\$ 760,000.00
Small Cities Block Grant	<u>\$1,350,000.00</u>
Total Sources	<u>\$2,110,000.00</u>

USES

Costs of Acquisition and Construction of the Project	\$2,093,500.00
Costs of Issuance	<u>\$ 16,500.00</u>
Total Uses	<u>\$2,110,000.00</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) Reserve Fund;
- (3) Replacement Fund;
- (4) Series 2003 A Bonds Construction Trust Fund;
- (5) Series 2003 A Bonds Sinking Fund; and
- (6) Within the Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Bond proceeds in the amount of \$-0- will be deposited in the Series 2003 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2003 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2003 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 2003 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2003 A 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 10 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 13 months from the date of issuance thereof.
15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.
16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.
17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.
18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.
19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.
20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.
21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2003 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 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 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 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.

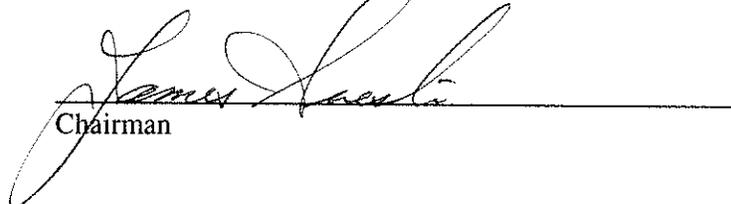
25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

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 31st day of March, 2003.

HAMRICK PUBLIC SERVICE DISTRICT

  
Chairman

03/12/03  
373420.00001

CH579470.1



I, Nina B. Buchanan, County Clerk of Tucker County, do certify this is a true and correct copy of the minutes of the Tucker County Commission, of December 6th, 1968, recorded in Order Book No. 15, establishing the Hamrick Service District. Given under my hand this 22nd day of February, 1994.

PRECINCT NO. 23			
1153	George Spessert	Commissioner & Messenger	19.12
1154	Reva Spessert	Election Commissioner	10.00
1155	Isabelle Dumire	" "	10.00
1156	Ruth Miller	Election Clerk	10.00
1157	Delsie Wotring	" "	10.00
PRECINCT NO. 24			
1158	Claude L. Bohon	Commissioner & Messenger	19.24
1159	Gertrude D. Auvil	Election Commissioner	10.00
1160	Mary E. Hebb	" "	10.00
1161	Irene White	" "	10.00
1162	Juanita Nestor	" "	10.00
1163	Ruth Dale Dumire	" "	10.00
1164	Dollie Owens	Election Clerk	10.00
1165	Freda Parsons	" "	10.00
1166	Dorothy White	" "	10.00
1167	Leona Pifer	" "	10.00
1168	Lena Parsons	Janitor Services	8.00
PRECINCT NO. 25			
1169	Bernice Watring	Commissioner & Messenger	16.80
1170	Mary Watring	Election Commissioner	10.00
1171	Prema Kines	" "	10.00
1172	Lavera Kelley	Election Clerk	10.00
1173	Bernice E. VanHeter	" "	10.00

The Tucker County Court on its own motion by order duly adopted on December 6th, 1968, proposed the adoption of a public service district and named the proposed public service district "Hamrick Public Service District", and the proposed public service district is to encompass the following described territory:

BEGINNING at the NE corner of the Hamblaton Corporation limit on the west side of Route # 219 near the NE portion of Sunset Heights Subdivision; thence continuing in a straight line at a bearing of N. 33 degrees for approximately 1.53 miles to the NE corner of Floy Ball's property on Cheat River; then following Cheat River west to the intersection with Black Fork River; then continuing SE along Black Fork River to the western most crossing of Hamblaton Corporation limit; then continuing SE along Black Fork to the SW corner of Hendricks Corporation limit; then following the Hendricks Corporation limit around the east section of the town to the NE corner of Hamblaton Corporation limit; then following Hamblaton Corporation limit to the point of beginning on the West Side of Route #219.

All persons residing in or owning or having any interest in property in said proposed public service district shall appear before the County Court on January 15th, 1969 at 10:30 A.M. in the Court Room at the Court House, in Parsons, West Virginia, to be heard for and against the creation of said public service district.

Dated this the 18th day of December, 1968.

Delvin K. Goff

Clerk of the Tucker County Court.

JANUARY 15, 1969

STATE OF WEST VIRGINIA,

Tucker County Court Clerk's Office:

SPECIAL SESSION:

At a Special Session of the County Court of Tucker County, West Virginia, held at the Court House thereof, on Wednesday, January 15, 1969. Present: Junior R. Knotts, President; Eva E. Cross and Ernest A. Colabrese, Commissioners, J. Pat. Nichols, Pros. Attorney and Nina B. Buchanan, County Clerk.

N O T I C E :

STATE OF WEST VIRGINIA:

Tucker County Court Clerk's Office

Notice is hereby given that there will be a Special Session of the County Court of Tucker County, West Virginia on Wednesday, January 15, 1969, for the following purpose, to-wit:

1. Public Service District

Junior R. Knotts, President

We Concur to the above Call:

Eva E. Cross                    )  
 Ernest A. Colabrese         )         Commissioners

Teste: Nina B. Buchanan, Clerk

J. Pat. Nichols, Prosecuting Attorney presided over the meeting. There were eleven persons who appeared, in interest to their property, and to learn more about the purpose of the meeting and how it would effect them as property owners. The purpose was explained by J. Pat. Nichols, <sup>and</sup> is to include the Area in the discription of the notice published in the paper. The Notice reads as follows: The Tucker County Court on its own motion by order duly adopted on December 6th, 1968, proposed the adoption of a public service district and named the proposed public service district "Hamrick Public Service District", and the proposed public service district is to encompass the following described territory: BEGINNING at the NE corner of the Hambleton Corporation limit on the west side of Route No. 219 near the NE portion of Sunset Heights Subdivision; thence continuing in a straight line at a bearing of N. 33 degrees for approximately 1.53 miles to the NE corner of Floyd Ball's property on Cheat River; then following Cheat River west to the intersection with Black Fork River; then continuing SE along Black Fork River to the western most crossing of Hambleton Corporation limit; then continuing SE along Black Fork to the SW corner of Hendricks Corporation limit; then following the Hendricks Corporation limit around the east section of the town to the NE corner of Hambleton Corporation limit; then following Hambleton Corporation limit to the point of beginning on the West Side of Route No. 219.

All persons residing in or owning or having any interest in property in said proposed public service district shall appear before the County Court on January 15th, 1969 at 10:30 a.m. in the Court Room at the Court House, in Parsons, West Virginia, to be heard for and against the creation of said public service district.

Dated this the 18th day of December, 1968.

D. K. Goff, Clerk of Tucker County Court.

Those appearing at the meeting were: Ross Mateer, Floyd Ball, Clay Simmons and Mrs. Clay Simmons, Mr. & Mrs. Victor Beckman, Rosa Mullenax, Harry Bright, Mr. & Mrs. John Syrian and Rev. Carl Rine.

Mr. J. Pat. Nichols, explained that the purpose of this Public Service District, was to include this area with water and sewage. He also explained that the Public Service District would be made up of three individuals appointed by the Tucker County Court and they would have the right to operate this system. After discussion and questions asked and answered by J. Pat. Nichols this group said they would be for the Public Service District if it didn't cost them anything as property owners. Mr. Nichols explained that Revenue Bonds would be sold to finance this project of sewage and water. After which this group of people adjourned.

The meeting continued with Mr. J. Pat. Nichols presenting the following names for appointment to the Public Service District Board they are as follows:

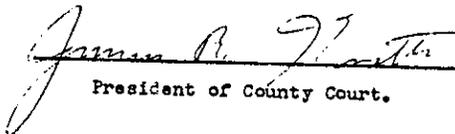
Larry Mayfield, 2 year term,

Kermit Collett, 4 year term

Ross Mateer, 6 year term

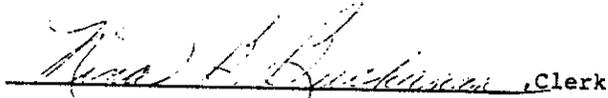
All terms beginning as of January 15th, 1969. Eva E. Cross made a motion that these men be appointed to serve as the Public Service District, the motion was seconded by Ernest A. Colabrese. Included in the motion also was the District will be set up and named the HAMRICK PUBLIC SERVICE COMMISSION.

There being no further discussion at this time on this matter the meeting adjourned, this the 15th day of January, 1969.

  
President of County Court.

February 22, 1994

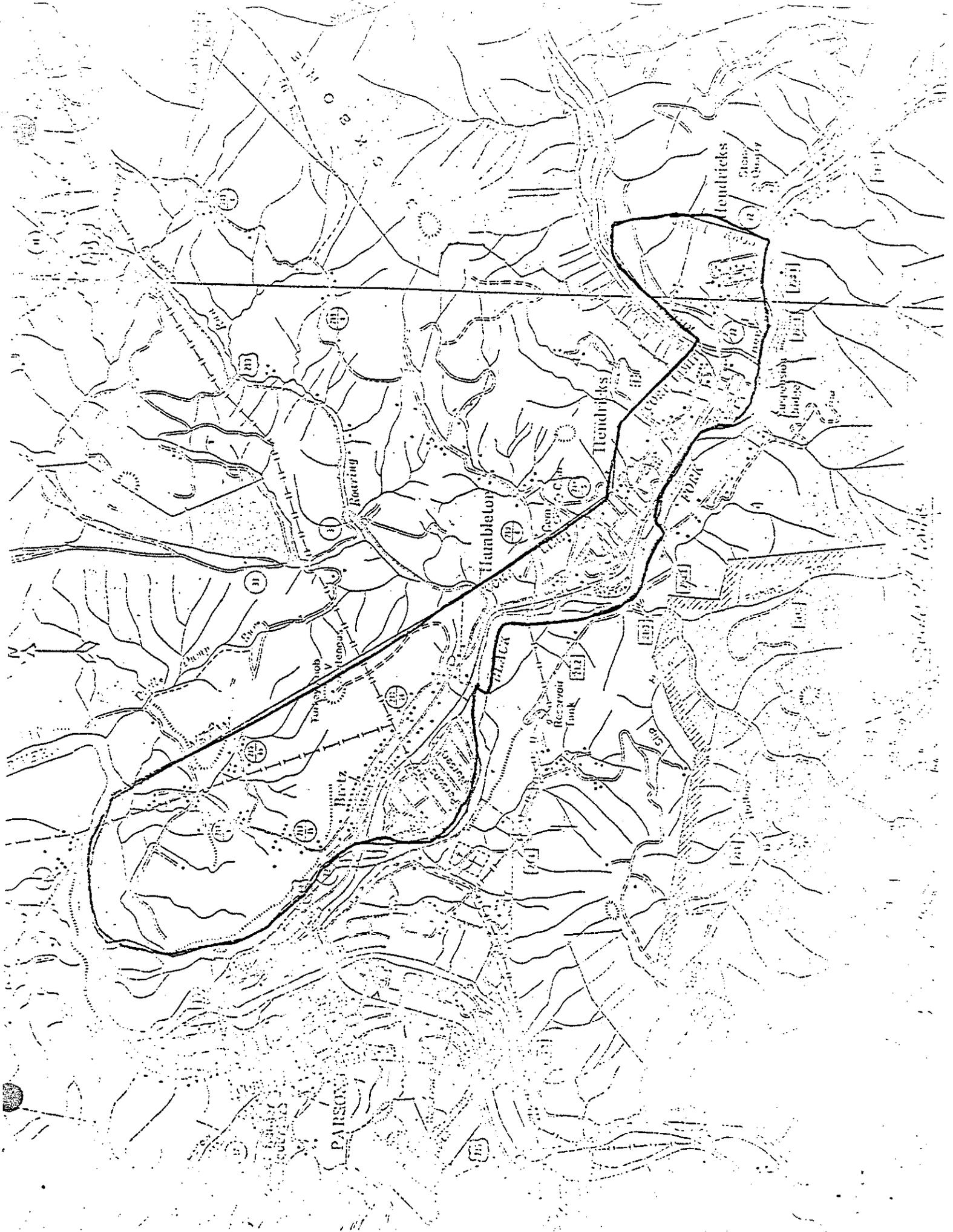
I, Nina B. Buchanan, County Clerk Tucker County, do certify this to be a copy of the minutes of the Tucker County Commission of January 15, 1969, as recorded in Order Book No. 15, page 190. Given under my signature and the seal of my office this 22 day of February, 1994.

  
Clerk

DESCRIPTION OF PROPOSED HAMRICK PUBLIC SERVICE AREA

Tucker County, West Virginia

Beginning at the NE corner of Hamblaton Corporation limit on the west side of Route 219 near the NE portion of Sunset Heights; then continuing in a straight line at a bearing of N 33° W for approximately 1.53 miles to the NE corner of Floyd Ball's property on Cheat River; then following Cheat River west to the intersection with Black Fork River; then continuing SE along Black Fork River to the western most crossing of Hamblaton Corporation limit; then continuing SE along Black Fork to the SW corner of Hendricks Corporation limit; then following the Hendricks Corporation limit around the east section of town to the NE corner of Hamblaton Corporation limit; then following Hamblaton Corporation limit to point of beginning on the W side of 219.



Hendricks

Hendricks

Tumbleton

PARSON

Roaring

Reservoir Tank

HILL

Hendricks

Hendricks

Hendricks

Hendricks

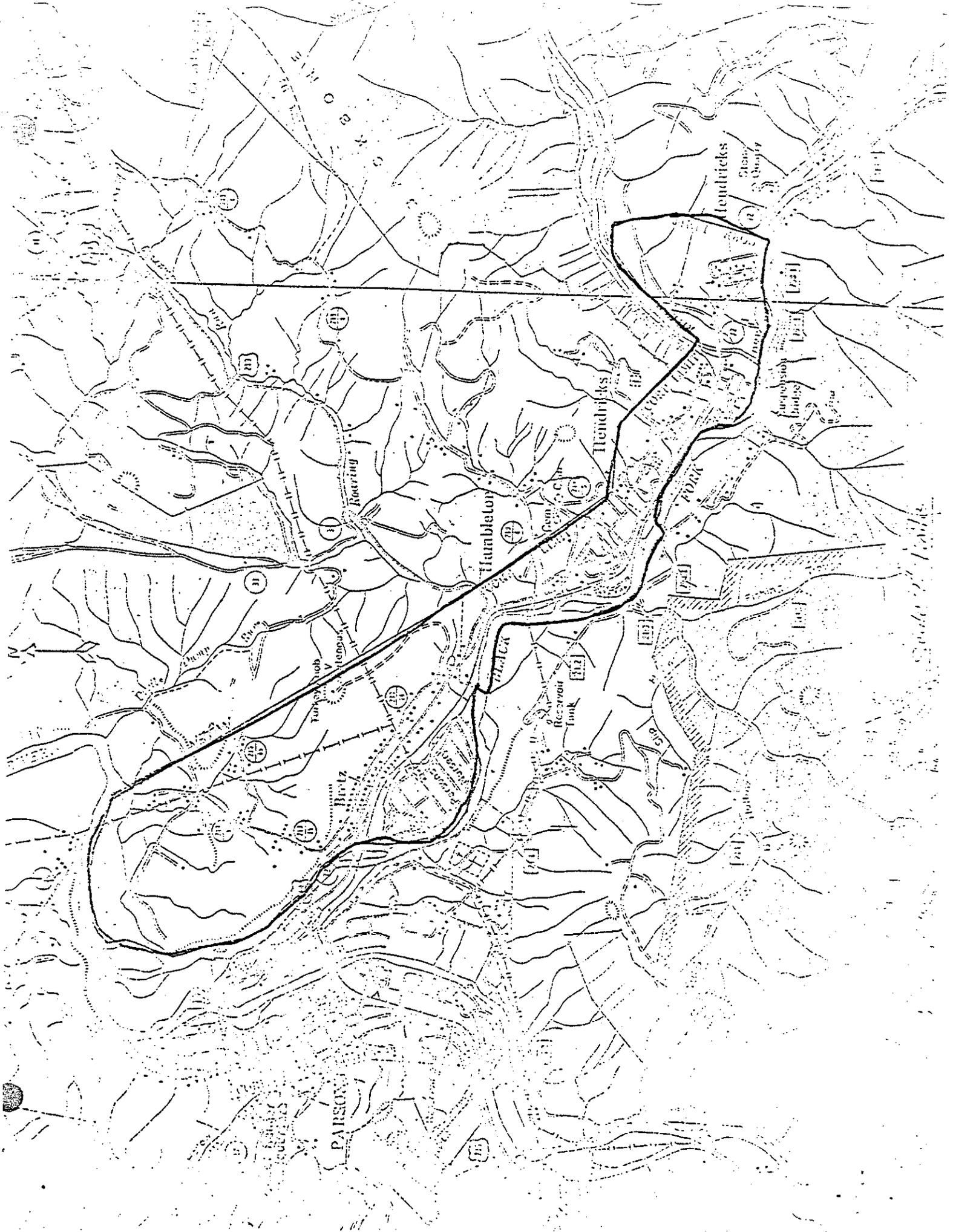
Hendricks

Hendricks

Hendricks

Hendricks

Hendricks



Hendricks

Hendricks

Tumbleton

PARSON

Roaring

Reservoir Tank

HILL

Hendricks

Hendricks

Hendricks

Hendricks

Hendricks

Hendricks

Hendricks

Hendricks

Hendricks

CERTIFICATE OF PUBLICATION

I, Ken McClain, publisher of

Parsons Advocate

a weekly newspaper published at Parsons West Virginia, do hereby certify that the annex Notice of proposal of adoption of a public service district, to be known as the Hamrick Public Service District,

xxxxxxx

xxxxx

has been published for 2 consecutive weeks in said newspaper, beginning with the issue of Dec. 19, 1968 and ending with the issue of Dec. 24, 1968.

Given under my hand this 28th day of

December, 1968.

Ken McClain, Publisher

Publication fee \$ 18.24

STATE OF WEST VIRGINIA,

COUNTY OF Tucker, to-wit:

Ken McClain, publisher of the

Parsons being duly sworn, says that statements contained in the above certificate are true and correct, to the best of his knowledge and belief.

Ken McClain, Affiant

Sworn to and subscribed before me, this the

28th day of December, 1968

Janie Jean Wood, Notary Public.

My commission expires Nov 15, 1972.

The Tucker County Court on its own motion by order duly adopted on December 6th, 1968, proposed the adoption of a public service district and named the proposed public service district "Hamrick Public Service District", and the proposed public service district is to encompass the following described territory:

BEGINNING at the NE corner of the Hambleton Corporation limit on the west side of Route No. 219 near the NE portion of Sunset Heights Subdivision; thence continuing in a straight line at a bearing of N. 33 degrees for approximately 1.33 miles to the NE corner of Floyd Ball's property on Cheat River; then following Cheat River west to the intersection with Black Fork River; then continuing SE along Black Fork River to the western most crossing of Hambleton Corporation limit; then continuing SE along Black Fork to the SW corner of Hendricks Corporation limit; then following the Hendricks Corporation limit around the east section of the town to the NE corner of Hambleton Corporation limit; then following Hambleton Corporation limit to the point of beginning on the West Side of Route No. 219.

All persons residing in or owning or having any interest in property in said proposed public service district shall appear before the County Court on January 15th, 1969 at 10:30 a. m. in the Court Room at the Court House, in Parsons, West Virginia, to be heard for and against the creation of said public service district.

Dated this 18th day of December, 1968.

D. K. Goff, Clerk of the Tucker County Court.

12-19 12-24c

Board of Public Administration

State of West Virginia

Re: Town of Harborton

Gentlemen:

At a regular meeting of the town council of Harborton, W.Va. held on *June 14, 1977* a motion was made, seconded and passed that the town of Harborton, county of Tucker, West Virginia, be included in the Herrick Public Service District, with reference to water and Sewerage facilities.

Sincerely Yours

*Samuel F. Sander*  
Recorder

January 5, 1977

Farmers Home Administration,  
Elkins, West Virginia.

Re: Town of Hendricks

Gentlemen:

At a regular meeting of the Town Council of Hendricks, West Virginia held on January 5, 1977 a motion was made, seconded and carried that the Town of Hendricks, Tucker County, West Virginia be included in the Hamrick Public Service District, with reference to water and sewer facilities.

Sincerely yours,

*Bucky Wilson*

Recorder.

THIS DEED and BILL OF SALE, made this the 24th day of March, 1976, by and between the Town of Hambleton, a municipal corporation, grantor and party of the first part and Hamrick Public Service District, grantee and party of the second part.

WHEREAS, by deed and bill of sale dated April 2, 1969 the Hambleton Water Company, a corporation transferred and sold unto the Town of Hambleton, a municipal corporation all right of ways, transmission lines, leases, reservoir, franchise and such other rights, real and personal that was being used in the operation of the water system in the Town of Hambleton by the Hambleton Water Company.

WHEREAS, the party of the first part desires to transfer and sell unto the said second party the franchise and right of ways and leases as to the water system in the Town of Hambleton and the second part is desirous of purchasing the same.

NOW, THEREFORE, WITNESSETH: That for and in consideration of the sum of One (\$1.00), cash in hand paid, and other valuable consideration, receipt of which is hereby acknowledged, the party of the first part bargains and sells, and sets over unto the said second party, with covenants of general warranty of title, the following real and personal property situate in the Town of Hambleton and Black Fork District, Tucker County, West Virginia, described as follows:

All such right of ways, recorded or unrecorded, leases and franchise that are presently being used in the operation of the water system in the Town of Hambleton by the first party.

It is expressly understood and agreed that this sale is subject to the confirmation of same by the Public Service Commission of West Virginia.

Declaration of Consideration of Value Under penalties of fine and imprisonment as provided by law, that the consideration paid for the real estate involved in the above transfer

is \$1.00.

Witness the following signature and seal.

Attest:

Town of Hamblaton, a municipal corporation

[Signature] By [Signature]  
REGISTERED IT'S Mayor

State of West Virginia,

County of Tucker, to-wit:

I, J. Pat. Nichols, a Notary Public in and for the county and state aforesaid, do hereby certify that Marion W. Bilby, who signed the writing above, bearing date of March 24, 1976, for the Town of Hamblaton, a municipal corporation, has this day in my said county and state, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this the 24th day of March, 1976.

My commission expires May 16th, 1980.

[Signature]  
Notary Public

This Instrument Prepared by:

J. Pat. Nichols, Attorney at Law, Parsons, W. Va.

THE COUNTY COMMISSION OF TUCKER COUNTY, WEST VIRGINIA

RESOLUTION AND ORDER PROPOSING THE EXPANSION OF  
THE HAMRICK PUBLIC SERVICE DISTRICT

WHEREAS, Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended (the "Act"), provides that a county commission may, on its own motion, by order duly adopted, propose the expansion of a public service district within such county;

WHEREAS, The County Commission of Tucker County (the "County Commission") desires to expand the Hamrick Public Service District in Tucker County to provide water services to its residents;

WHEREAS, the County Commission deems it essential and desirable to adopt this resolution and order proposing the expansion of the Hamrick Public Service District and set forth other matters relating thereto as required by the Act;

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED AND ORDERED, BY THE COUNTY COMMISSION OF TUCKER COUNTY AS FOLLOWS:

1. The County Commission, on its own motion, subject to the written consent and approval of the Public Service Commission of West Virginia, proposes to expand the Hamrick Public Service District in Tucker County, West Virginia.

2. The Territory to be embraced in the proposed expanded Hamrick Public Service District is described as follows:

"Beginning on the northeast corner of the existing public service district boundary at the northeast corner of

the Floyd Ball property located on the Cheat River and continuing up the river along the eastern river boundary 1,275 feet to a point on the Larry Arman property; thence crossing the river North for a distance of 420 feet to a point on the western boundary of the river; thence N 75° W., 3,600 feet to a point 100 feet westward of the intersection of WV Route 72 and County Road 1; thence continuing along a line which is located 100 feet to the west of WV Route 72 for a distance of approximately 22,000 feet to a point 100 feet southwest of the western end of the Saint George bridge; thence crossing the river N 48° E, 2,800 feet to a point 200 feet north of Minear Run; thence S 46° E, 2,300 feet to a point in the center of County Road 1; thence S. 40° W, 2,200 feet to a point on the western boundary of the Cheat River; thence continuing along the westernmost boundary of the river for a distance of approximately 48,000 feet to a point north of the Floyd Ball corner; thence crossing the river South for a distance of 300 feet to the beginning."

A copy of a plat showing the expanded area is attached to this resolution and order and is labeled Exhibit "A".

3. The proposed expanded Hamrick Public Service District does not include within its boundaries the territory of any other public service district created under the laws of the State of West Virginia, and there is no other city, incorporated town or other municipal corporation included within such expanded boundaries.

4. The purpose of the proposed expanded Hamrick Public

Service District shall be to acquire, construct, maintain, operate, improve and extend water services and facilities within the above described territory.

5. The Tucker County Commission shall hold a public hearing on the creation of the proposed expanded Hamrick Public Service District at the Tucker County Senior Center in Parsons, West Virginia on the 30th day of March, 1994 at 9:00 A.M., which date is not more than forty (40) days nor less than twenty (20) days from the date hereof. At such hearing, all persons residing in or owning or having any interest in property in the territory to be embraced within the boundaries of the proposed expanded Hamrick Public Service District shall have an opportunity to be heard for and against the creation of the proposed expanded Hamrick Public Service District and the County Commission shall consider and determine the feasibility of the creation of the proposed expanded Hamrick Public Service District and the County Commission shall consider and determine the feasibility of the creation of the proposed expanded Hamrick Public Service District and shall adopt such resolutions and orders as it shall deem proper in the premises.

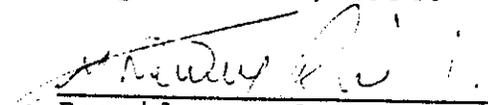
6. The Clerk of the County Commission shall cause notice of such hearing and the time and place thereof, including the description of the territory proposed to be included within such public service district, to be given by publication as a Class 1 legal advertisement in The Parsons Advocate and the Elkins Inter-Mountain, the only two (2) newspapers published

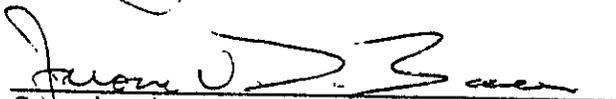
and of general circulation in Tucker County at least ten (10) days prior to such hearing.

7. The Clerk of the County Commission shall also post in at least five (5) conspicuous places within the boundaries of the proposed public service district, a notice containing the same information as is contained in the published notice, and the notices shall be posted not less than ten (10) days before the hearing.

8. This Resolution and Order shall be effective immediately following adoption hereof.

ENTERED this 9th day of March, 1994.

  
\_\_\_\_\_  
President and Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Clerk

NOTICE OF PUBLIC HEARING ON THE CREATION OF  
HAMRICK PUBLIC SERVICE DISTRICT

Notice is hereby given that The County Commission of Tucker County has, on its own motion, by order duly adopted on March 9, 1994, proposed the expansion of the Hamrick Public Service District in Tucker County, West Virginia, to be named "Hamrick Public Service District", for the purpose of providing water services to its residents.

The territory to be embraced in the expanded Hamrick Public Service District is all described as follows:

"Beginning on the northeast corner of the existing public service district boundary at the northeast corner of the Floyd Ball property located on the Cheat River and continuing up the river along the eastern river boundary 1,275 feet to a point on the Larry Arman property; thence crossing the river North for a distance of 420 feet to a point on the western boundary of the river; thence N 75° W., 3,600 feet to a point 100 feet westward of the intersection of WV Route 72 and County Road 1; thence continuing along a line which is located 100 feet to the west of WV Route 72 for a distance of approximately 22,000 feet to a point 100 feet southwest of the western end of the Saint George bridge; thence crossing the river N 48° E, 2,800 feet to a point 200 feet north of Minear Run; thence S 46° E, 2,300 feet to a point in the center of County Road 1; thence S 40° W, 2,200 feet to a point on the western boundary of the Cheat River; thence continuing along the westernmost boundary of the river for a distance of approximately 48,000

feet to a point north of the Floyd Ball corner; thence crossing the river South for a distance of 300 feet to the beginning."

All persons residing in or owning or having any interest in property in said proposed expanded Hamrick Public Service District are hereby notified that The County Commission of Tucker County will conduct a public hearing on the 30th day of March, 1994, at 9:00 A.M. in the Tucker County Senior Center at Parsons, West Virginia, at which hearing all interested persons may appear before the County Commission and shall have an opportunity to be heard for and against the expansion of the Hamrick Public Service District.

  
Clerk of the County Commission of  
Tucker County

CERTIFICATE OF PUBLICATION

I, George A. Smith, Jr., publisher of *The Parsons Advocate*, a weekly newspaper published at Parsons, West Virginia, do hereby certify that

the annexed .....

in the case of *Expansion of Hamrick PSD* .....

VS. ....

has been published for ... consecutive weeks in said newspaper, beginning with the issue of

*March 16, 1994* .....

Given under my hand this *23* day of

*March*, 19*94* .....

*George A. Smith*, Publisher

Publication fee \$ *22.11* .....

*7 1/4" or 442 words at 5¢ each*

STATE OF WEST VIRGINIA,  
COUNTY OF TUCKER, to-wit:

George A. Smith, Jr., publisher of *The Parsons Advocate*, being duly sworn, says that statements contained in the above certificate are true and correct, to the best of his knowledge and belief.

*George A. Smith*, Affiant

Sworn to and subscribed before me, this the *23* day of *March*, 19*94* .....

*Elsie M. Davis* .....

Notary Public

My commission expires



NOTICE OF PUBLIC HEARING ON THE EXPANSION OF HAMRICK PUBLIC SERVICE DISTRICT  
Notice is hereby given that The County Commission of Tucker County, West Virginia, on its own motion, by resolution adopted on March 9, 1994, proposed the expansion of the Hamrick Public Service District in Tucker County, West Virginia, to be named "Hamrick Public Service District," for the purpose of providing water services to its residents.  
The territory to be embraced in the expanded Hamrick Public Service District is all described as follows: Beginning on the northeast corner of the existing public service district boundary at the northeast corner of the Floyd Ball property located on the Cheat River and continuing up the river along the eastern river boundary 1,275 feet to a point on the Larry Arman property, thence crossing the river North for a distance of 420 feet to a point on the western boundary of the river, thence N 75° W, 3,600 feet to a point 100 feet westward of the intersection of WV Route 72 and County Road I; thence continuing along a line which is located 100 feet to the west of WV Route 72 for a distance of approximately 22,000 feet to a point 100 feet south west of the western end of the Saint George bridge; thence crossing the river N 48° E, 2,800 feet to a point 200 feet north of Minear Run; thence S 46° E, 2,300 feet to a point in the center of County Road I; thence S 40° W, 2,200 feet to a point on the western boundary of the Cheat River; thence continuing along the westernmost boundary of the river for a distance of approximately 48,000 feet to a point north of the Floyd Ball corner; thence crossing the river South for a distance of 300 feet to the beginning.  
All persons residing in or owning or having any interest in property in said proposed expanded Hamrick Public Service District are hereby notified that The County Commission of Tucker County will conduct a public hearing on the 30th day of March, 1994, at 9:00 A.M. in the Tucker County Senior Center at Parsons, West Virginia, at which hearing all interested persons may appear before the County Commission and shall have an opportunity to be heard for and against the expansion of the Hamrick Public Service District.  
Nina B. Buchanan  
Clerk of the County Commission of Tucker County

THE COUNTY COMMISSION OF TUCKER COUNTY, WEST VIRGINIA

RESOLUTION AND ORDER EXPANDING  
HAMRICK PUBLIC SERVICE DISTRICT  
IN TUCKER COUNTY, WEST VIRGINIA

WHEREAS, The County Commission of Tucker County, (the "County Commission") did heretofore by a resolution and order adopted March 9, 1994, fix a date for a hearing on the Expansion of the Hamrick Public Service District in Tucker County for providing water services to its residents, and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the territory to be embraced within the boundaries of the expansion of Hamrick Public Service District may appear before the County Commission at this hearing and have an opportunity to be heard for and against the expansion of the Hamrick Public Service District;

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and in accordance with Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended (the "Act"), by publication as a Class I legal advertisement and by posting in five (5) conspicuous places within the boundaries of the proposed expanded Hamrick Public Service District at least ten (10) days before the hearing;

WHEREAS, a hearing was held on the expansion of the Hamrick Public Service District at the Tucker County Senior Center in Parsons, West Virginia on the 30th day of March, 1994, at 9:00 a.m.;

WHEREAS, at such hearing, all persons residing in or owning or having any interest in property in the territory

to be embraced within the expansion of the Hamrick Public Service District were afforded an opportunity to be heard for and against the expansion of the Hamrick Public Service District;

WHEREAS, the County Commission determines that the expansion of the Hamrick Public Service District is feasible and that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by the Hamrick Public Service District will be conducive to the preservation of public health, comfort and convenience of the expanded area;

WHEREAS, the County Commission deems it essential and desirable to adopt this resolution and order expanding the Hamrick Public Service District and set forth other matters relating thereto as required by the Act;

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED AND ORDERED BY THE COUNTY COMMISSION OF TUCKER COUNTY AS FOLLOWS:

1. The County Commission, on its own motion, subject to the written consent and approval of the Public Service Commission of West Virginia, orders the expansion of the Hamrick Public Service District.

2. The territory to be embraced by the expanded Hamrick Public Service District is described as follows:

"Beginning on the northeast corner of the existing public service district boundary at the northeast corner of the Floyd Ball property located on the Cheat River and continuing up the river along the eastern river boundary 1,275 feet to

a point on the Larry Arman property; thence crossing the river North for a distance of 420 feet to a point on the western boundary of the river; thence N 75° W., 3,600 feet to a point 100 feet westward of the intersection of WV Route 72 and County Road 1; thence continuing along a line which is located 100 feet to the west of WV Route 72 for a distance of approximately 22,000 feet to a point 100 feet southwest of the western end of the Saint George bridge; thence crossing the river N 48° E, 2,800 feet to a point 200 feet north of Minear Run; thence S 46° E, 2,300 feet to a point in the center of County Road 1; thence S 40° W, 2,200 feet to a point on the western boundary of the Cheat River; thence continuing along the westernmost boundary of the river for a distance of approximately 48,000 feet to a point north of the Floyd Ball corner; thence crossing the river South for a distance of 300 feet to the beginning."

A plat is attached showing such expansion.

3. The Expanded Hamrick Public Service District does not include within its boundaries the territory of any other public service district created under the laws of the State of West Virginia, and there is no other City, incorporated town or other municipal corporation included within such expanded boundaries.

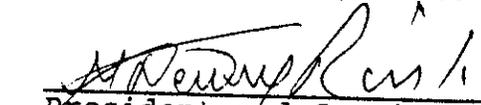
4. The purpose of the expansion of the Hamrick Public Service District shall be to acquire, construct, maintain, operate, improve and extend water services and facilities within the above described territory.

5. The Clerk of the County Commission shall cause

a copy of this Resolution and Order, together with the resolution and Order entered on March 9, 1994, to be filed with the Executive Secretary of the Public Service Commission of West Virginia within ten (10) days after the entry of this Resolution and Order.

6. This Resolution and Order shall be effective immediately following adoption hereof.

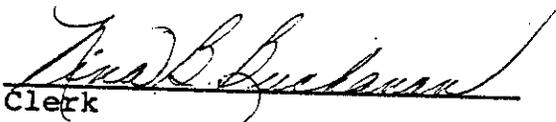
ENTERED this 30th day of March, 1994.

  
\_\_\_\_\_  
President and Commissioner

  
\_\_\_\_\_  
Commissioner

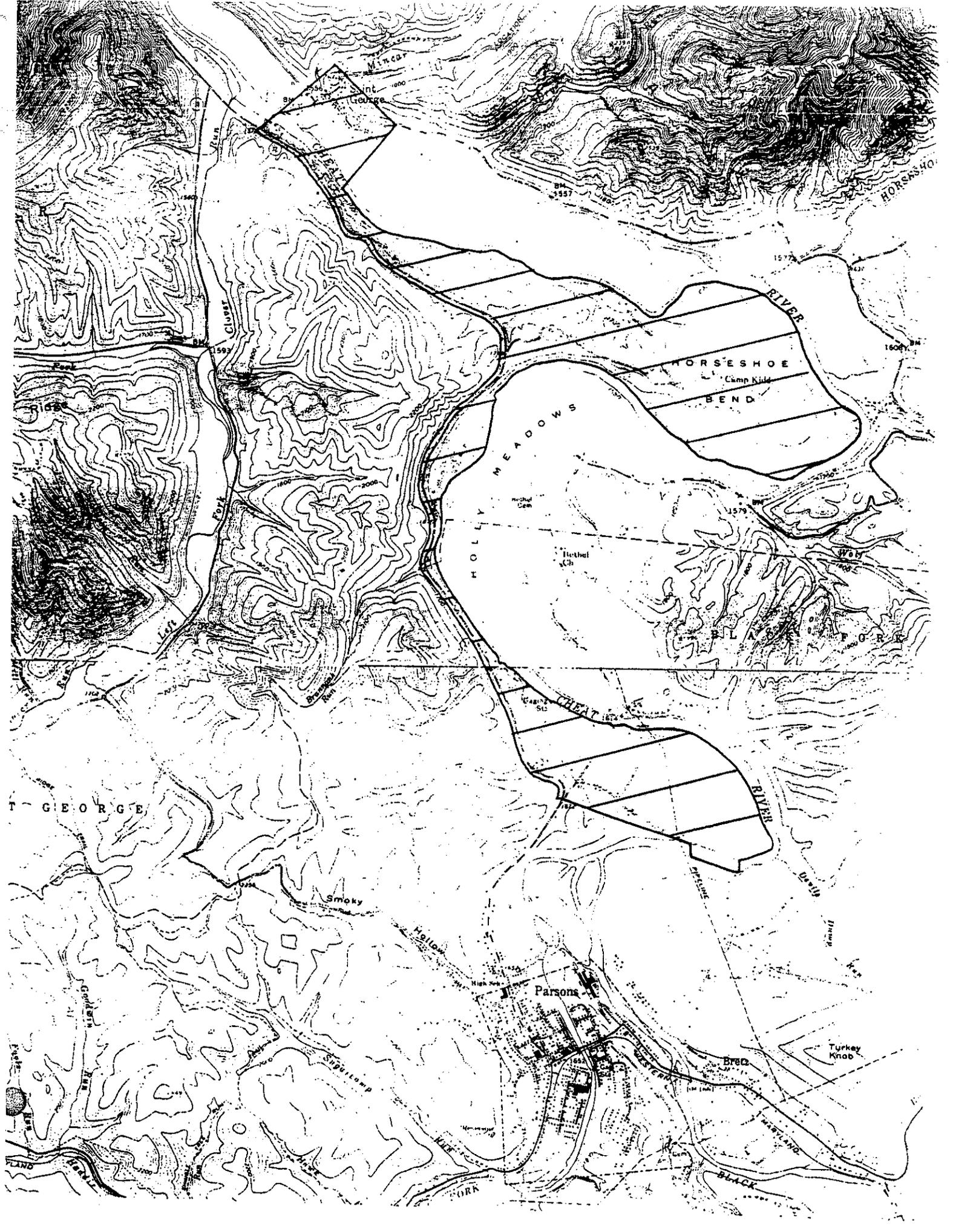
  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Clerk

DESCRIPTION OF HAMRICK PUBLIC SERVICE DISTRICT BOUNDARY ANNEXATION

"Beginning on the northeast corner of the existing public service district boundary at the northeast corner of the Floyd Ball property located on the Cheat River and continuing up the river along the eastern river boundary 1,275 feet to a point on the Larry Arman property; thence crossing the river North for a distance of 420 feet to a point on the western boundary of the river; thence N 75° W, 3,600 feet to a point 100 feet westward of the intersection of WV Route 72 and County Road 1; thence continuing along a line which is located 100 feet to the west of WV Route 72 for a distance of approximately 22,000 feet to a point 100 feet southwest of the western end of the Saint George bridge; thence crossing the river N 48° E, 2,800 feet to a point 200 feet north of Minear Run; thence S 46° E, 2,300 feet to a point in the center of County Road 1; thence S 40° W, 2,200 feet to a point on the western boundary of the Cheat River; thence continuing along the westernmost boundary of the river for a distance of approximately 48,000 feet to a point north of the Floyd Ball corner; thence crossing the river South for a distance of 300 feet to the beginning."



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: April 29, 1994

CASE NO. 94-0247-PWD-PC

TUCKER COUNTY COMMISSION.

Petition to expand boundaries of Hamrick Public Service District to acquire, construct, maintain, operate, improve and extend water services and facilities within Tucker County.

RECOMMENDED DECISION

PROCEDURE

On April 1, 1994, the Tucker County Commission filed a petition with the Public Service Commission seeking to enlarge the boundaries of Hamrick Public Service District to allow it to provide water service to additional customers in Tucker County, pursuant to the provisions of West Virginia Code §16-13A-2.

By Order entered by the Commission on April 7, 1994, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before June 6, 1994.

On April 7, 1994, the Commission filed a Notice of Hearing directing that the above case be scheduled for hearing on Friday, April 22, 1994, at 9:30 a.m., in the County Commissioners' Court Room, Tucker County Courthouse, Parsons, West Virginia.

On April 16, 1994, the Tucker County Commission filed an affidavit of publication.

The April 22, 1994 hearing was held as scheduled. Mr. Drexel M. Vealey, Esquire, appeared on behalf of Commission Staff, and Mr. Pat A. Nichols, Esquire, appeared on behalf of the Tucker County Commission.

No one appeared in opposition to Tucker County Commission's petition and therefore this case will be treated as unopposed.

FINDINGS OF FACT

1. Affidavits of publication were filed on April 16, 1994. (See Certificate of Publication).

2. No one appeared at the hearing to protest Tucker County Commission's petition and therefore this case will be treated as unopposed. (See Transcript).

CONCLUSION OF LAW

Since no one appeared in opposition to Tucker County Commission's petition, this case will be treated as unopposed.

ORDER

IT IS, THEREFORE, ORDERED that the petition of the Tucker County Commission, filed on April 1, 1994, to enlarge the boundaries of Hamrick Public Service District to allow it to provide water service to additional customers in Tucker County, pursuant to the provisions of West Virginia Code §16-13A-2, be, and the same hereby is, approved.

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

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

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

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

*Miles C. Cary*  
Miles C. Cary  
Administrative Law Judge

MCC:mal

# Public Service Commission

Richard E. Hitt, General Counsel



201 Brooks Street, P.O. Box 812  
Charleston, West Virginia 25323

Phone: (304) 340-0317  
FAX: (304) 340-0325

May 2, 1994

Francesca Tan, Esq.  
Steptoe & Johnson  
Attorneys at Law  
P. O. Box 2190  
Clarksburg, WV 26302-2190

Re: Case No. 94-0247-PWD-PC  
Tucker County Commission

Dear Ms. Tan:

The Staff of the Public Service Commission has reviewed the Final Order as entered by the Commission on the 29th day of April, 1994, and takes no exception to that Order. The Staff has determined that no exceptions will be filed and no appeals will be taken.

Since no other parties appeared in protest or as intervenors to the proceeding, unless the Tucker County Commission intends to file an appeal, no appeals will be taken from this Final Order by Staff.

Sincerely,

A handwritten signature in cursive script, appearing to read "Drexel M. Vealey".

DREXEL M. VEALEY  
Staff Attorney  
(304)340-0341

DMV/mh

TxtMharr/TAN

# Public Service Commission

Richard E. Hitt, General Counsel



201 Brooks Street, P.O. Box 812  
Charleston, West Virginia 25323

Phone: (304) 340-0317  
FAX: (304) 340-0325

May 3, 1994

Howard M. Cunningham  
Executive Secretary  
Public Service Commission  
P. O. Box 812  
Charleston, WV 25323

Re: Case No. 94-0247-PWD-PC  
TUCKER COUNTY COMMISSION

Dear Mr. Cunningham:

I have no objections to waiving the exception period in this proceeding.

Sincerely,

A handwritten signature in cursive script, appearing to read "Drexel M. Vealey".

DREXEL M. VEALEY  
Staff Attorney

DMV/cg  
cc: Francesca Tan, Esquire

TXTCGRAL/940247L1

# NICHOLS & NICHOLS

ATTORNEYS AT LAW

P. O. BOX 201

PARSONS, WEST VIRGINIA 26267

J. PAT NICHOLS  
PAT A. NICHOLS

TELEPHONE  
(304) 478-2127

FAX  
(304) 478-2128

May 3, 1994

Public Service Commission  
201 Brooks Street  
Box 812  
Charleston, WV 25323

ATTENTION: Howard M. Cunningham

RE: Case No. 94-0247-PWD-PC  
Hamrick Public Service Dist.  
Tucker County, West Virginia  
Expansion

Dear Sir:

I represent the Hamrick Public Service District and the District is in receipt of your order of April 29, 1994. Please be advised that the Hamrick Public Service District does not object to the recommended decision in the above matter and does hereby waive it's right to file exceptions to the Administrative Law Judge's order. Please advise if you approve the same.

Sincerely,

Pat A. Nichols

PAN:cw

cc: June Ann Carr  
Francesca Tan

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 3rd day of May, 1994.

CASE NO. 94-0247-PWD-PC

TUCKER COUNTY COMMISSION.

Petition to expand boundaries of Hamrick Public Service District to acquire, construct, maintain, operate, improve and extend water services and facilities within Tucker County.

COMMISSION ORDER

On April 1, 1994, the Tucker County Commission filed a petition with this Commission seeking to enlarge the boundaries of Hamrick Public Service District to allow it to provide water service to additional customers in Tucker County, pursuant to the provisions of West Virginia Code Section 16-13A-2.

By order entered by the Commission on April 7, 1994, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before June 6, 1994.

Public hearing on the petition was held before Administrative Law Judge Miles C. Cary in Parsons, Tucker County, West Virginia, on April 22, 1994. At the hearing, no one appeared in opposition to Tucker County Commission's petition. Therefore, Judge Cary treated the case as unopposed.

On April 29, 1994, Administrative Law Judge Miles C. Cary entered a recommended decision approving the petition in question. Thereafter, on May 3, 1994, the Commission received a written communication from Pat A. Nichols, Esq., counsel for the Tucker County Commission, seeking a waiver of the 15-day period for filing exceptions to the aforesaid recommended decision. Also, on May 3, 1994, the Commission received a written communication from Drexel M. Vealey, Esq., counsel for Commission Staff, advising the Commission that Commission Staff has no objection to waiving the 15-day period for filing exceptions to the April 29, 1994 recommended decision.

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

The Commission is therefore of the opinion and belief that said petition of waiver received by the Commission on May 3, 1994, should be granted.



HAMRICK PUBLIC SERVICE DISTRICT

3 MEMBERS

APPOINTED TO 6 YEAR TERMS

SECRETARY, JUNE ANN CARR

Robert Summerfield  
Betty VanMeter Michael  
Jim Suesli

Term Expires  
12/31/2001 - Re-appointed 12/12/01- term 01/01/2002-12/31/08  
12/31/1999 - Replaced by Jeff Kiess 01/12/2000  
12/31/2003

I, Linda Cale do certify that this is from the records of Tucker County Commission minutes and is recorded in record book no. 19 at page 208.

Given under my hand and the seal of said Commission this 16th day of April, 2002.

Teste: *Linda Cale*, Clerk.

# Tucker County Commission



215 First Street  
Parsons, WV 26287

Jerome V. DiBacco, Commissioner

Archie C. Davis, President

Sam Eichelberger, Commissioner

January 2, 1998

**A the special session of the Tucker County Commission on Friday, January 2, 1998 the following motion was made:**

Hamrick Public Service District: Jim Suesli was appointed to serve a six (6) year term beginning January 1, 1998 and ending and ending December 31, 2003, motion made by Commissioner Eichelberger and a second by Commission DiBacco, vote was unanimous.

**This motion is recorded in Order Book 19 in the County Clerks office.**

*Tina B. Buchanan, Clerk*  
ATTESTED

TUCKER COUNTY COMMISSION  
JANUARY 12, 2000  
REGULAR SESSION

Present: Salvatore J. Eichelberger, president of the County Commission, Jerome V. DiBacco and Arlie C. Davis, Jr., Commissioners, Linda Cale, County Clerk and W. Thomas Tucsing, County Administrator. Guests attending were: Louise Ball, Josh D. Carrico and David R. Carrico representing Tucker County EMS, June Ann Carr from Hamrick Public Service, Mariwyn Smith, Advocate Editor, Cindy Ramsey, Intermountain reporter, Hazel Phillips, Grace Gainer and Kathryn Little representing Concerned Citizens Coalition, James N. Propst, George Cook, Katie Moore, Jeff Kiess, Vickie Hedrick and Barbara Elza.

Meeting called to ORDER by President Eichelberger, opening prayer by Clerk Cale, followed by pledge of allegiance by all present.

By Davis/DiBacco motion, minutes of December 8, 1999, regular meeting, January 3<sup>rd</sup> and 6<sup>th</sup>, 2000 Special Sessions were approved.

Barb Elza with Project Impact appeared before the Commission to request Debbie Stevens be appointed to serve on the Steering Committee for Project Impact to represent Tucker County, as Dewey Wilfong has resigned. Elza also presented list of other members representing Tucker and Randolph County. DiBacco/Davis list approved as presented. Elza gave a long presentation on things Project Impact have accomplished, along with their future goals. Elza stated there are books in library to show people how to use flood maps. Elza also discussed Community Rating System, she says there should be a reduction in Insurance premiums in eighteen months. Elza reported having received national award at summit meeting, summary of activities attached.

June Ann Carr was present on behalf of Hamrick Public Service District to request Jeff Kiess be approved as new member to replace Betty Michael for a six year term beginning January 1, 2000 and ending December 31, 2005. DiBacco/Davis motion approved, requesting Kiess to come in, which he did later in the meeting and was given Oath of Office by Clerk Cale.

Katherine Little, Grace Gainer and Hazel Phillips were present representing Concerned Citizens Coalition and let Commission know they did not wish to use their money for Pritt property. They were referring to the tree slashings and debris left along the Shavers Fork River from timbering, which could stop up bridge if we get high water. CCC has discussed buying pumps to pump out water. Ms Little stated she and their secretary, Doris Bonner, would review past minutes. Commissioner Davis said he never talked to

*Linda Cale,*

Tucker County Farm Bureau members James Stiles, Doris Bonner, Carl Hedrick, and Lowell Moore were on hand to request Sunday hunting be put on ballot.

Correspondence: WV Division of Highways, stating paving and culvert repair to Thomas bridge will be going on in 2002.

Unfinished: No word has been received concerning re-districting.

Agreement presented to Commission to hire Helen Harris as full time employee to enable her to receive benefits with Miller reimbursing county quarterly.

Eichelberger/Davis.

Board of Equalization dates approved for publication. (copy attached).

Eichelberger/Davis.

New: Erroneous Assessments #63 & 64 approved. Davis/Eichelberger.

Additional court house hours to begin January , 2002. DiBacco suggested each Thursday 4 p.m. to 6 p.m., with either comp time or overtime. DiBacco/Davis.

Sunday Hunting needs to be put on ballot by February. Eichelberger/Davis.

Hamrick Public Service District requested Robert C. Summerfield be re-appointed as Commissioner of the Hamrick Public Service for another term of office beginning January 1, 2002 and ending December 31, 2008. Approved by Davis/Eichelberger

Financial Report: Approval was given to pay water & sewage bill at trailer park and have water disconnected. Davis/Eichelberger.

Do not wish to pay additional for flood insurance increase, leave as is.

Davis/Eichelberger.

Bills presented for payment approved. Eichelberger/Davis.



Hamrick Public Service District  
Board Officials  
For the Fiscal Year Ended June 30, 2002

---

---

Office	Name	Terms
Chairman	James Suesli	01/01/1998 - 12/31/2003
Member	Jeffrey C. Kiess	01/01/2000 - 12/31/2005
Member	Robert C. Summerfield	01/01/2002 - 12/31/2007

---

---

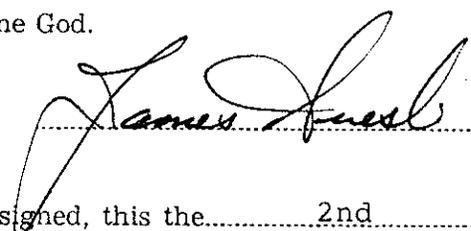
---

---

# OATH

State of West Virginia, County of Tucker ss:

I, James Suesli, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office Appointed to a Six Year Term on the Hamrick Public Service District Term beginning 1/01/98 through 12/31/2003 to the best of my skill and judgment, so help me God.

  
.....

Subscribed and sworn to before the undersigned, this the 2nd day of January, 1998.

  
.....

Clerk County Court, Tucker County, W. Va.

# OATH

State of West Virginia, County of Tucker ss:

I, Jeffrey C. Kiess, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of Member of the Hamrick Public Service District for a six year term beginning January 1, 2000 and ending December 31, 2005 to the best of my skill and judgment, so help me God.

  
v. Jeffrey C. Kiess

Subscribed and sworn to before the undersigned, this the 12th day of January, 2000.

Linda Calk  
Clerk County Court, Tucker County, W. Va.

# OATH

State of West Virginia, County of Tucker §55:

I, Robert C. Summerfield, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of Commissioner of the Hamrick Public Service District for a term beginning January 1, 2002 and ending December 31, 2008 to the best of my skill and judgment, so help me God.

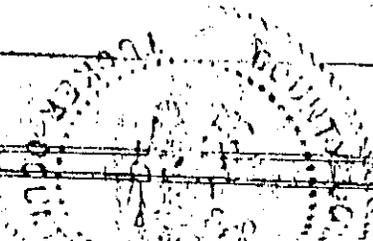
*Robert C. Summerfield*

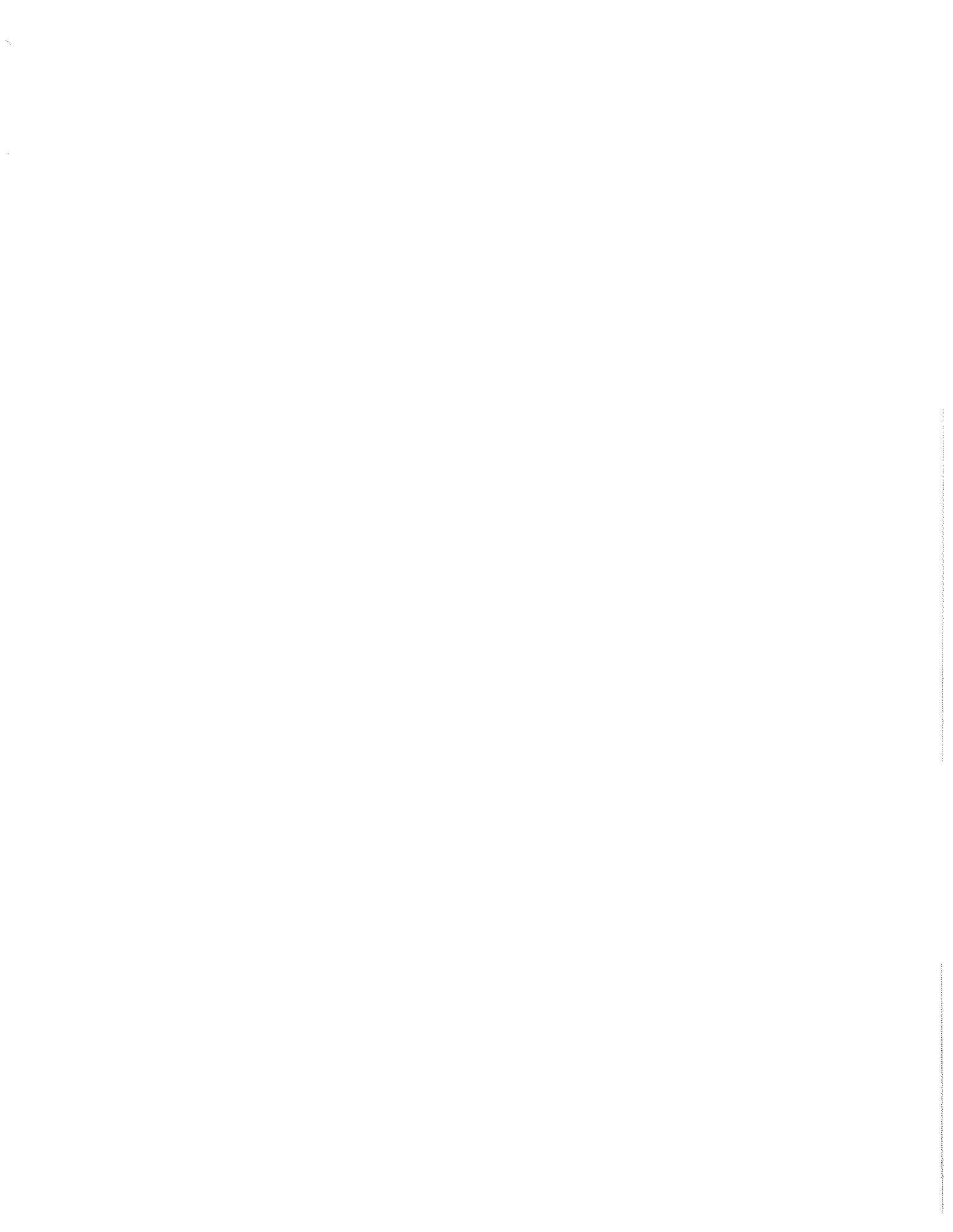
Subscribed and sworn to before the undersigned, this the 12th day of December, 2001, at xx

*Linda Cole*

Clerk County Court, Tucker County, W. Va

0104421





RULES OF PROCEDURE  
HAMRICK PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: HAMRICK PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Route 72 and 2nd Street, Hendricks, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Tucker County, West Virginia (the "County Commission") or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission 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 second 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 Tucker 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 Tucker 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 specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

## ARTICLE V

### OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

## ARTICLE VI

### DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

## ARTICLE VII

### AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 17th day of March, 2003.



# CERTIFICATE OF PUBLICATION

I, George A. Smith, Jr., publisher of *The Parsons Advocate*, a weekly newspaper published at Parsons, West Virginia, do hereby certify that

the annexed .....

in the case of *Case # 01-0686 PWD-CN.*

vs. ....

has been published for *1* consecutive weeks in said newspaper, beginning with the issue of

*June 19, 2002*

Given under my hand this *19* day of

*June*, *2002*  
*George A. Smith*, Publisher

Publication fee \$ *16.20*

*15 1/2 " or 9455 words at 7¢ ea.*

STATE OF WEST VIRGINIA,  
 COUNTY OF TUCKER, to-wit:

George A. Smith, Jr., publisher of *The Parsons Advocate*, being duly sworn, says that statements contained in the above certificate are true and correct, to the best of his knowledge and belief.

*George A. Smith*, Affiant

Sworn to and subscribed before me, this the *19* day of *June*, *2002*

*M. Carol Hebb*

## Public Service Commission of West Virginia Charleston

Case No. 01-0686-PWD-CN  
 Hamrick Public Service District, a public utility

Application for a certificate of convenience and necessity to construct & upgrade the Hamrick Public Water Treatment Plant and extend water service to 125 customers in the Holly Meadows/Horsehoe Run/Leadmine/Shaffertown area of Tucker County.

### Notice of Filing

Whereas, on the 25th day of April, 2002, the Hamrick Public Service District filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions and improvements to its water treatment plant and to extend service to 125 customers in Tucker 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 Hamrick Public Service District estimates that construction will cost approximately \$2,100,000.00. It is proposed that the construction will be financed as follows: Small City Block Grant in the amount of \$850,000.00; a loan from the Drinking Water Treatment Revolving Fund the amount of \$1,260,000.00.

Whereas, the utility anticipates charging the following rates for its customers:

Metered Rate:

First 3,000 Gallons Used Per Month	8.58 Per 1,000 Gallons
Next 3,000 Gallons Used Per Month	7.64 Per 1,000 Gallons
Next 4,000 Gallons Used Per Month	6.35 Per 1,000 Gallons
Next 10,000 gallons Used Per Month	5.56 Per 1,000 Gallons
All Over 20,000 Gallons	3.83 Per 1,000 Gallons

Minimum Monthly Bill:

No bill will be rendered for less than the following amount according to the size of the meter installed, to-wit:

5/8 Inch Meter	25.74 Per Month
3/4 Inch Meter	38.61 Per Month
1 Inch Meter	64.37 Per Month
1 1/2 Inch Meter	28.71 per Month
2 Inch Meter	205.94 Per Month
3 Inch Meter	386.13 Per Month
4 Inch Meter	643.55 Per Month
6 Inch Meter	1,287.09 Per Month

8 Inch Meter 2,059.34 Per Month  
Returned Check for Insufficient Funds:

If a check received is returned by the bank for any reason, the bank's charge to the Hamrick Public Service 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.

Delayed Payment Penalty:

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown. If any bill is not paid within sixty (60) days after date, service to the customer will be disconnected. Service will not be restored until all past due bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Tap Fee:

Prior to construction - \$100.00  
 After construction passes the premises to be served, charge for connection to the system - \$300.00.

Private Fire Protection

Fire Hydrants \$70.00 per year  
 Sprinkler Heads \$ .25 per head per year

Incremental Leak Adjustment

\$0.49 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that Hamrick Public Service District, a public utility, give notice of the filing of said application by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Tucker County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to make objection to said application must do so in writing, within thirty (30) days after the publication of this notice, to Sandra Squire, Executive Secretary, PO Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said 30-day period, the Commission may waive formal hearing and grant the application of the Hamrick Public Service District, a public utility, based on the evidence submitted with said application and its review thereof.

Notary Public

OFFICIAL SEAL  
 NOTARY PUBLIC  
 STATE OF WEST VIRGINIA  
 M. CAROL HEBB  
 P. O. BOX 42  
 PARSONS, WV 26287  
 My Commission Expires Feb. 4, 2003

My commission expires

**CERTIFICATE OF PUBLICATION**

I, George A. Smith, Jr., publisher of *The Parsons Advocate*, a weekly newspaper published at Parsons, West Virginia, do hereby certify that

the annexed .....

in the case of *Case # 01-0686 PWD-CN*

VS. ....

has been published for *1* consecutive weeks in said newspaper, beginning with the issue of

*July 24, 2002*

Given under my hand this *24* day of

*July 24, 2002*  
*George A. Smith*, Publisher

Publication fee \$ *29.81*

*5 3/4" or 351 words at 8 1/2 ea*

STATE OF WEST VIRGINIA,  
COUNTY OF TUCKER, to-wit:

George A. Smith, Jr., publisher of *The Parsons Advocate*, being duly sworn, says that statements contained in the above certificate are true and correct, to the best of his knowledge and belief.

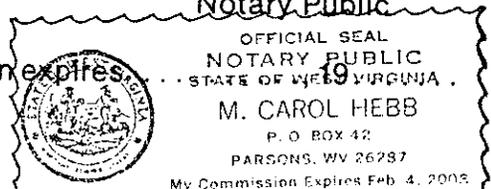
*George A. Smith*....., Affiant

Sworn to and subscribed before me, this the *24* day of *July*, *2002*

*M. Carol Hebb*

Notary Public

My commission expires



**Public Service  
Commission  
of West Virginia  
Charleston**

**Notice of Hearing  
Case No. 01-0686-  
PWD-CN**

**Hamrick Public  
Service District**

On April 25, 2002, Hamrick Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to upgrade the District's water treatment plant and to extend water utility service to approximately 125 customers in the Holly Meadows, Leadmine/Shaffertown and Horseshoe Run areas in Tucker County, West Virginia. The District also requested approval of financing for the project, and for increases in the rates for water service. For example, the cost for 4500 gallons of water on a monthly basis, which is the average usage for a family of four, would rise from \$29.52 to \$37.20.

A public hearing for the purpose of receiving relevant evidence regarding whether the requested rates are reasonable will be held at 10 am on Thursday, August 8, 2002, in Parsons City Hall, Magistrate Courtroom, 201 Walnut Street, Parsons, West Virginia, at which time all interested parties shall appear and represent their interests as may be deemed appropriate. This is the only hearing that will be scheduled. The water rates of the Hamrick Public Service District may be increased, decreased, or left unchanged at the conclusion of these proceedings.



HAMRICK PUBLIC SERVICE DISTRICT  
P.O. BOX 228  
HENDRICKS, WV 26271

January 13, 2003

The Hamrick Public Service District met in a special meeting on January 13, 2003, at 12:45 p.m. at the Hendricks office for the purpose of electing officers for 2003 and interviewing engineering firms for the Canaan Valley Sewer Project.

Present for the meeting: James Suesli, Robert Summerfield, Jeff Kiess, Michael Helmick, Vanessa Woodyard. Guests: Wayne Hypes, Doug Schmidt, Dunn Engineers; H. Wood Thrasher, Ken Moran, Clay Riley, Thrasher Engineering; Ed Mitchell, Steven Cole, Woolpert LLP.

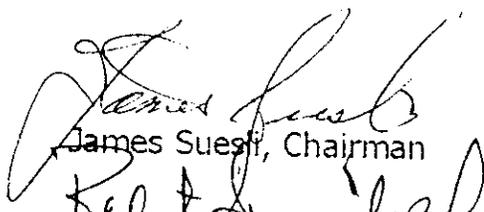
The meeting was called to order at 12:50 p.m. by Chairman Suesli and a quorum was declared present.

Robert Summerfield moved that officers remain the same for 2003: James Suesli, Chairman; Michael Helmick, Treasurer; Vanessa Woodyard, Secretary. Jeff Kiess seconded the motion. The vote was unanimous.

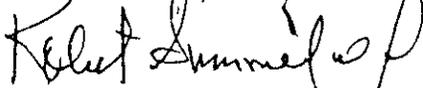
Dunn Engineers, Thrasher Engineering, and Woolpert, LLP were interviewed for the Canaan Valley Sewer Project.

After careful consideration of the qualifications of each engineering firm, Robert Summerfield moved the District select Thrasher Engineering for the Canaan Valley Sewer Project. Jeff Kiess seconded the motion. The vote was unanimous.

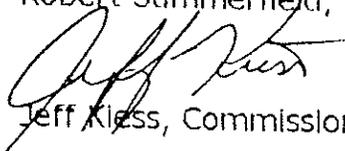
Jeff Kiess moved to adjourn the meeting. Robert Summerfield seconded the motion. The vote was unanimous. The meeting adjourned at 4:30 p.m.



James Suesli, Chairman



Robert Summerfield, Commissioner



Jeff Kiess, Commissioner



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

MINUTES ON ADOPTION OF BOND RESOLUTION,  
SUPPLEMENTAL RESOLUTION AND RULES OF PROCEDURE

The undersigned, SECRETARY of the Public Service Board of Hamrick County Public Service District, hereby certifies that the following is a true and correct excerpts of minutes of a special meeting of the said Public Service Board:

\*\*\*

\*\*\*

\*\*\*

The Public Service Board of Hamrick County Public Service District met in special session, pursuant to notice duly posted, on the 17th day of March, 2003, in Hendricks, West Virginia, at the hour of 6:30 p.m.

PRESENT: James Suesli - Chairman  
Vanessa Woodyard - Secretary  
Michael Helmick - Treasurer  
Jeffrey C. Kiess - Member  
Robert C. Summerfield - Member

ABSENT: None

James Suesli, Chairman, presided, and Vanessa Woodyard acted as Secretary.

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION  
AND CONSTRUCTION OF EXTENSIONS, ADDITIONS,  
BETTERMENTS AND IMPROVEMENTS TO THE  
EXISTING PUBLIC WATERWORKS SYSTEM OF

HAMRICK PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$760,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Jeff Kiess and seconded by Robert Summerfield, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA DWTRF PROGRAM), OF HAMRICK PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Robert Summerfield and seconded by Jeff Kiess, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented proposed Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made by Robert Summerfield and seconded by Jeff Kiess, 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.

\*\*\*

\*\*\*

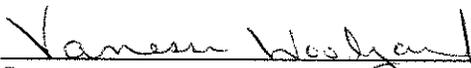
\*\*\*

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

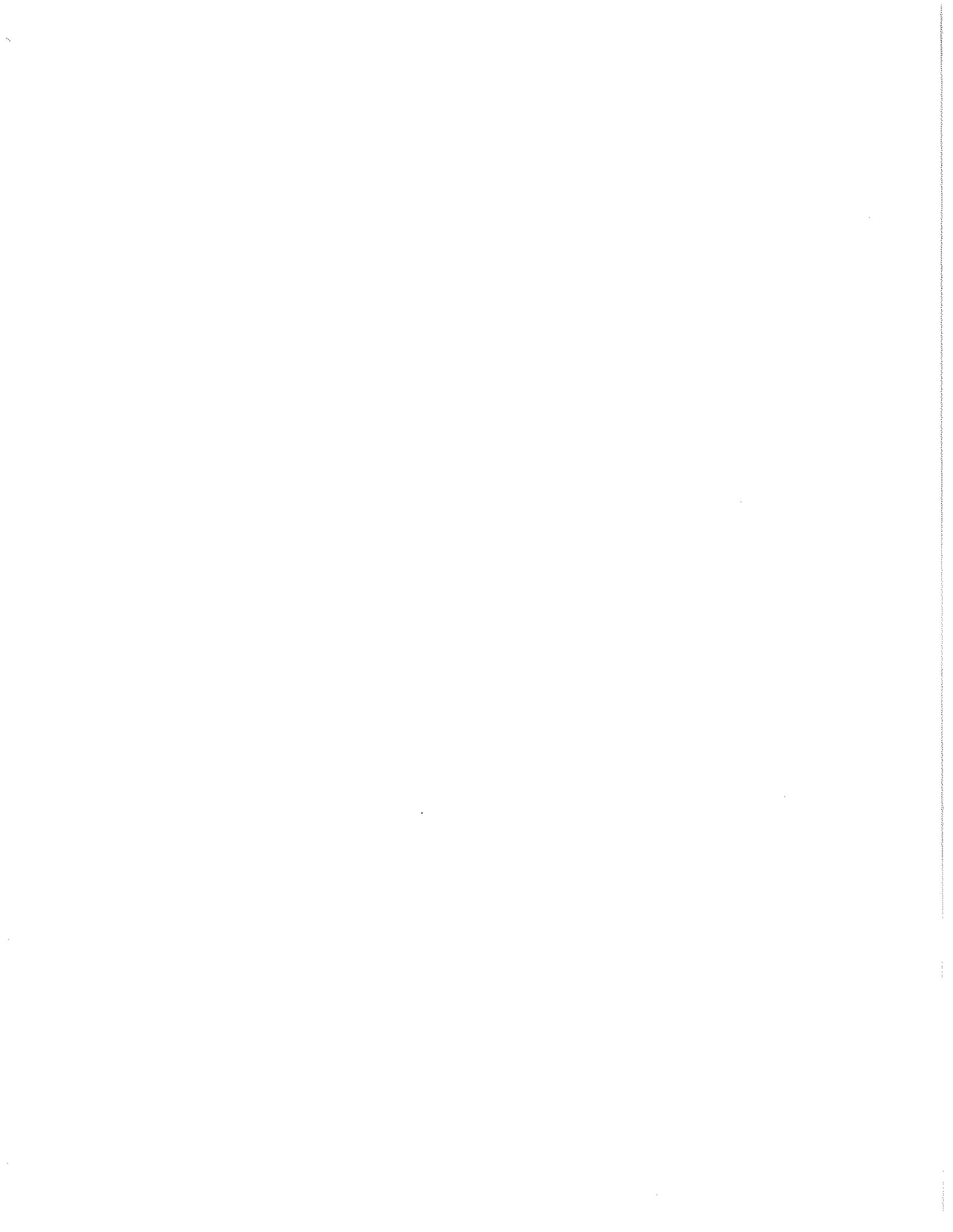
CERTIFICATION

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 31st day of March, 2003.

  
Secretary

03/17/03  
373420.00001



WV MUNICIPAL BOND COMMISSION  
8 Capitol Street  
Suite 500  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: March 31, 2003

(See Reverse for Instructions)

ISSUE: Hamrick Public Service District Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program)

ADDRESS: P.O. Box 228, Hendricks, WV 26271 COUNTY: Tucker

PURPOSE OF ISSUE: New Money: X  
Refunding: \_\_\_\_\_ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: March 31, 2003 CLOSING DATE: March 31, 2003

ISSUE AMOUNT: \$760,000 RATE: 0% interest/ 1% Administrative Fee

1ST DEBT SERVICE DUE: June 1, 2004 1ST PRINCIPAL DUE: June 1, 2004

1ST DEBT SERVICE AMOUNT: \$6,334 PAYING AGENT: Municipal Bond Commission

BOND  
COUNSEL: Step toe & Johnson PLLC  
Contact Person: John Stump, Esquire  
Phone: 304.353.8196

UNDERWRITERS  
COUNSEL: Jackson Kelly PLLC  
Contact Person: Samme L. Gee, Esq.  
Phone: 304.340.1318

CLOSING BANK: Citizens National Bank  
Contact Person: D. Randall Moore  
Phone: 304.478.2551

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT  
Contact Person: Michael Helmick  
Position: General Manager  
Phone: 304.478.2898

OTHER: WV Drinking Water Treatment Revolving Fund  
Contact Person: Walt Ivey, P.E.  
Function: Manager Infrastructure Program  
Phone: 304.558.2981

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
Accrued Interest: \$ \_\_\_\_\_  
Capitalized Interest: \$ \_\_\_\_\_  
Reserve Account: \$ \_\_\_\_\_  
Other: \$ \_\_\_\_\_

REFUNDS & TRANSFERS BY MBC AT CLOSE  
By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
\_\_\_\_\_ IGT \_\_\_\_\_  
To Escrow Trustee: \$ \_\_\_\_\_  
To Issuer: \$ \_\_\_\_\_  
To Cons. Invest. Fund: \$ \_\_\_\_\_  
To Other: \_\_\_\_\_ \$ \_\_\_\_\_

NOTES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_  
\_\_\_\_\_

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.



HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Citizens National Bank, Parsons, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Hamrick Public Service District (the "Issuer") adopted March 17, 2003, and the Supplemental Resolution of the Issuer adopted March 17, 2003 (the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), dated March 31, 2003, issued in the principal amount of \$760,000 (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 31st day of March, 2003.

CITIZENS NATIONAL BANK



Vice President and Branch Manager

03/12/03  
373420.00001



HAMRICK PUBLIC SERVICE DISTRICT

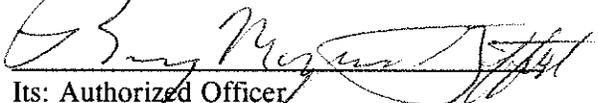
Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

Huntington National Bank, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Hamrick Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2003 A (West Virginia DWTRF Program), of the Issuer, dated March 31, 2003, in the principal amount of \$760,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Huntington National Bank, as Registrar.

WITNESS my signature on this 31st day of March, 2003.

HUNTINGTON NATIONAL BANK

  
Its: Authorized Officer

03/12/03  
373420.00001

HAMRICK PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 31st day of March, 2003, by and between HAMRICK PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$760,000 Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted March 17, 2003, and the Supplemental Resolution of the Issuer duly adopted March 17, 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:

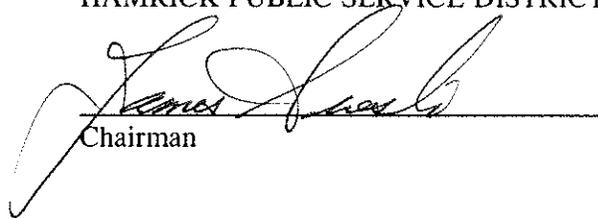
**ISSUER:** Hamrick Public Service District  
Post Office Box 228  
Hendricks, West Virginia 26271  
Attention: Chairman

**REGISTRAR:** Huntington National Bank  
One Huntington Square  
Charleston, West Virginia 25301  
Attention: Trust Department

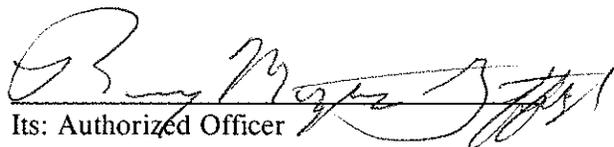
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

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.

HAMRICK PUBLIC SERVICE DISTRICT

  
Chairman

HUNTINGTON NATIONAL BANK

  
Its: Authorized Officer

03/12/03  
373420.00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)

Private Financial Group  
900 Lee Street, 11th Floor  
P. O. Box 3985  
Charleston, West Virginia 25339-3985



STATEMENT OF TRUSTEE'S FEES  
Invoice Date March 31, 2003

**HAMRICK PUBLIC SERVICE DISTRICT**  
**Account Number 6089001809**

Hamrick Public Service District  
Water Revenue Bonds, Series 2003 A  
C/O John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

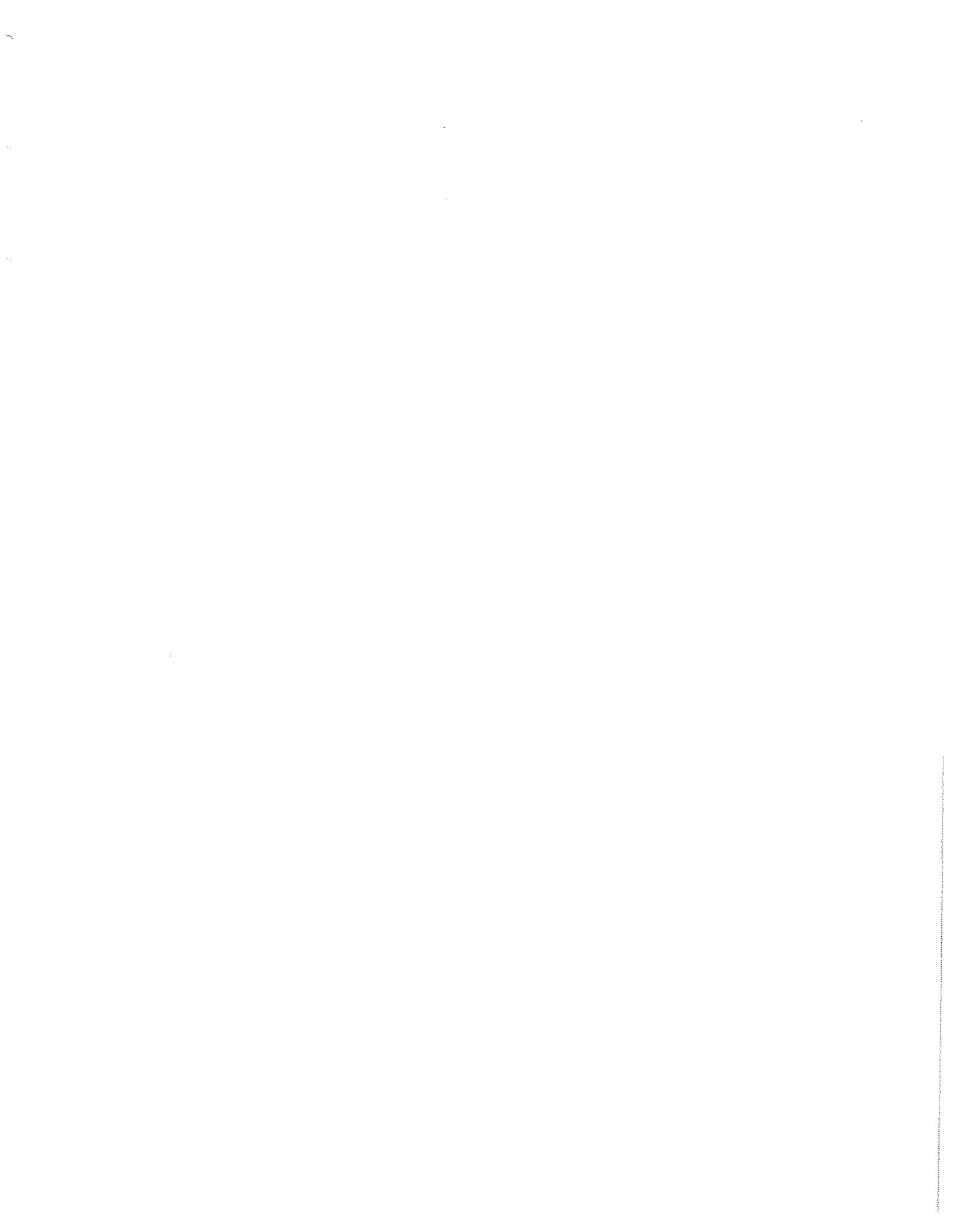
SUMMARY OF ACCOUNT

FEE CALCULATION FOR March, 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 3985, CHARLESTON, WV 25339-3985 .....

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304)348-5035





STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

CECIL H. UNDERWOOD  
GOVERNOR

August 9, 2000

The Honorable Salvatore J. Eichelberger  
President  
Tucker County Commission  
215 First Street  
Parsons, West Virginia 26287

Dear Commissioner Eichelberger:

Thank you for your application to the Small Cities Block Grant program. Your request has been approved in the amount of \$850,000. These funds will enable the Hamrick Public Service District to make improvements to its water treatment plant and to extend water service to the Horseshoe Run and Holly Meadows areas of Tucker County.

In order to effectively use the limited dollars available, I hereby commit \$200,000 from our fiscal year 2000 allocation that will immediately be available to you. The remaining \$650,000 necessary to complete this project will be evaluated and committed in the coming year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

The West Virginia Development Office, Community Development Division staff, will contact you to complete the necessary contract in order to proceed with your project.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to assist with these improvements for the citizens of Tucker County.

Very sincerely,

Cecil H. Underwood

CHU:ans



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

**BOB WISE**  
GOVERNOR

August 6, 2002

The Honorable Jerome V. Dibacco  
President  
Tucker County Commission  
215 First Street  
Parsons, West Virginia 26287

Dear Commissioner Dibacco:

Thank you for your application to the Small Cities Block Grant program.

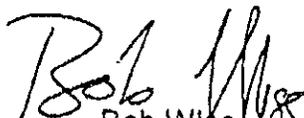
Your request has been approved in the amount of \$500,000. These funds will enable you to complete upgrades to the water treatment plant and to extend the water service to additional customers who are located in the Horseshoe Run and Holly Meadows areas.

The West Virginia Development Office, Community Development Division staff, will contact you to complete the necessary contract in order to proceed with your project.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

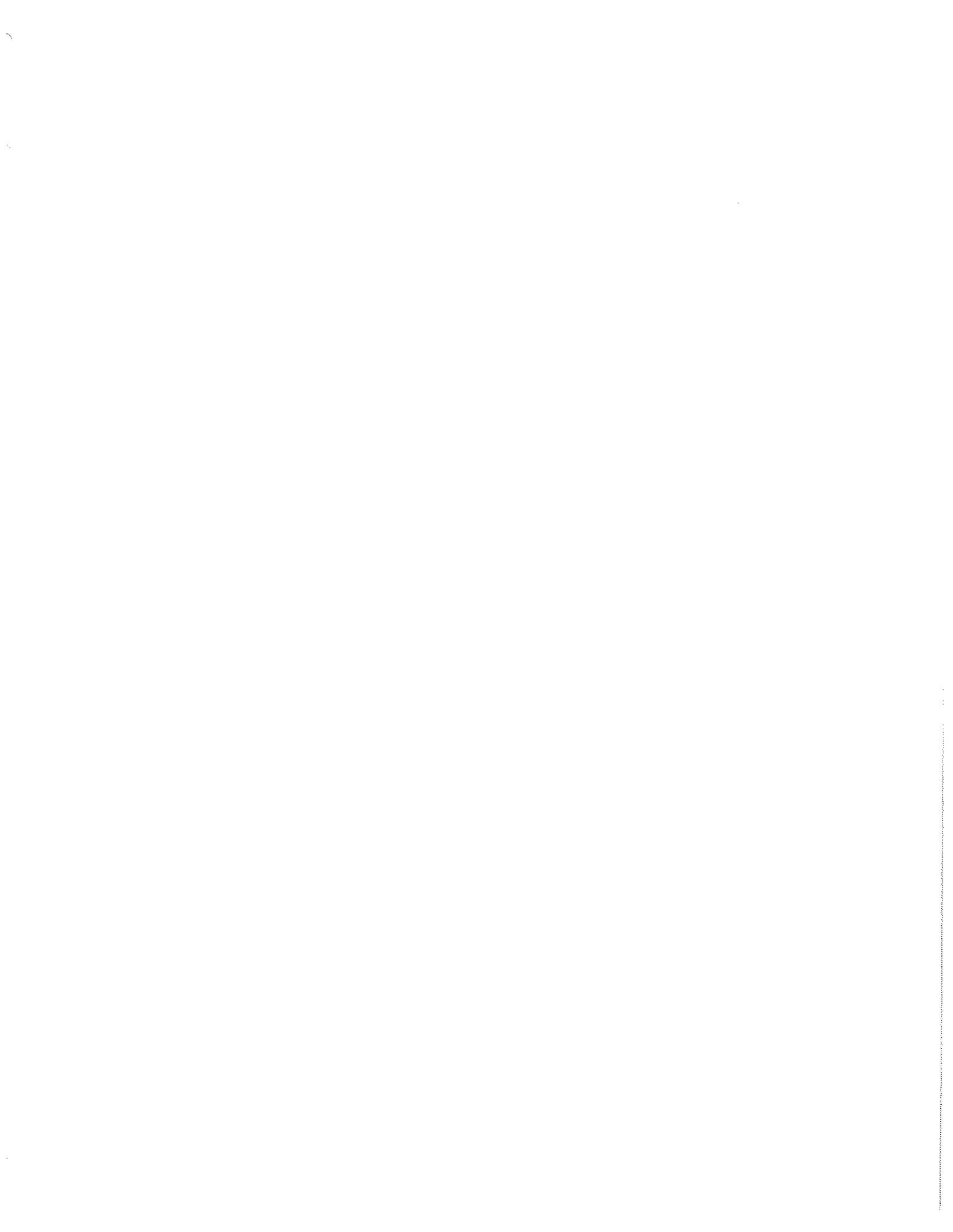
I am pleased to assist with these improvements for the citizens of Tucker County.

Very truly yours,

  
Bob Wise

BW:jrd

cc: Hamrick PSD  
W. Randy Watson, Thrasher Engineering, Inc.  
Region VII Planning & Development Council  
Walt Ivey, P.E., WV Office of Environmental Health Services





United States Department of Agriculture

Rural Development

75 High Street, Room 320  
Morgantown, WV 26505-7500  
(304) 284-4860  
FAX (304) 284-4893  
TDD (304) 284-5941  
(For the Deaf or Hard of Hearing)

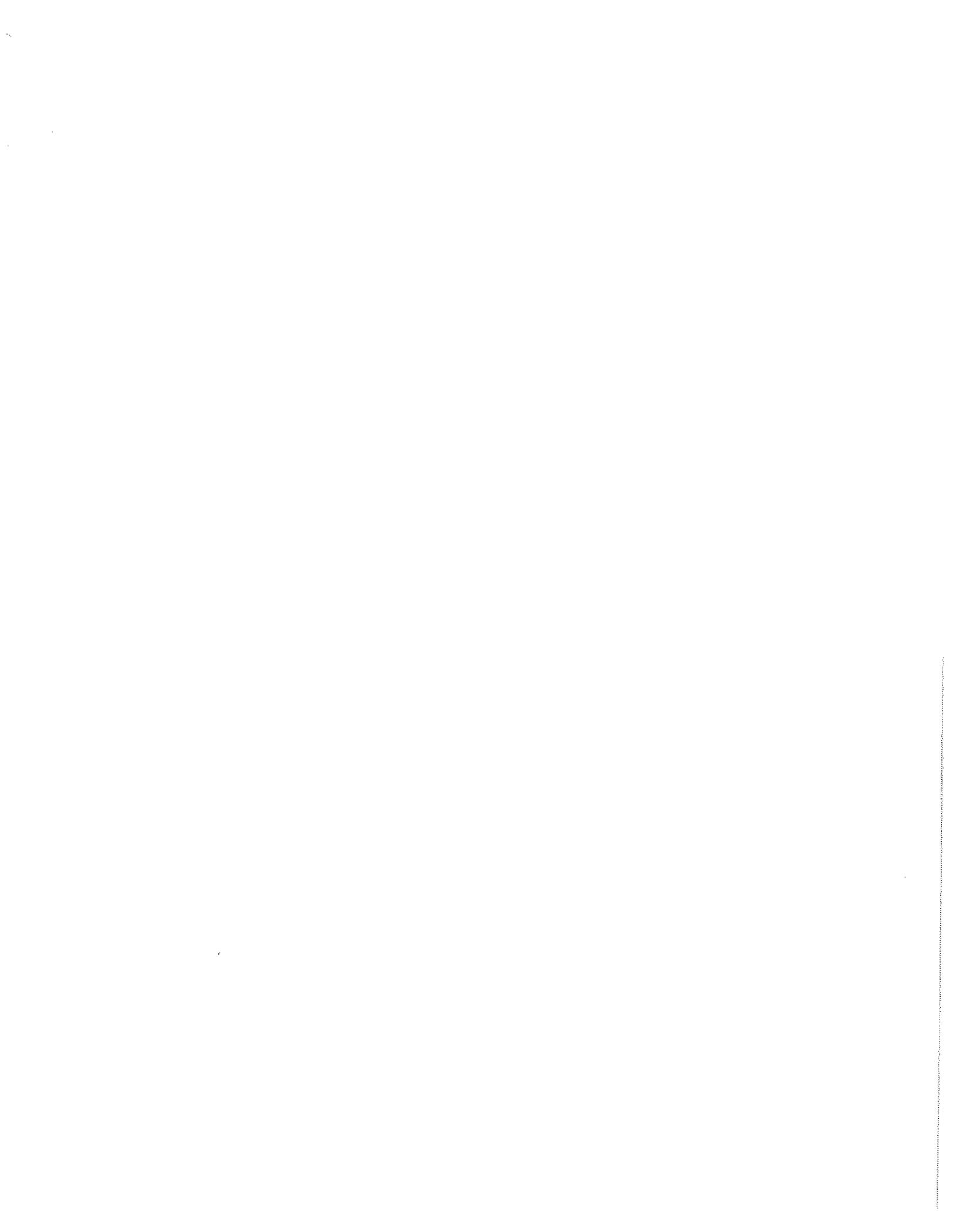
Hamrick Public Service District  
Water Revenue Bonds, Series 2003 A  
(West Virginia DWTRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amounts of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program) (the "Bonds"), in the original aggregate principal amount of not to exceed \$800,000, by Hamrick Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bond, Series 1975, dated September 1, 1977, issued in the original aggregate principal amount of \$314,000 and Water Revenue Bond, Series 1994, dated May 5, 1994, issued in the original aggregate principal amount of \$229,000 (collectively, the "Prior Bonds"); (ii) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Resolution"), regarding the issuance of parity bonds which are not met by the Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolution by the Resolution.

WITNESS my signature this 31<sup>st</sup> day of March, 2003.

  
\_\_\_\_\_  
State Director



# CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** March 31, 2003  
**Re:** Hamrick Public Service District Water Revenue Bonds, Series 2003 A (West Virginia DWTRF Program)

---

---

## DISBURSEMENTS TO THE DISTRICT

- Payor:** West Virginia DWTRF Program  
**Source:** Series 2003 A Bonds Proceeds  
**Amount:** \$18,719  
**Form:** Wire Transfer  
**Payee:** Hamrick Public Service District  
**Bank:** Citizens National Bank  
**Routing #:** 051501150  
**Account #:** 005-768-1  
**Contact:** D. Randall Moore, Vice President and Branch Manager  
**Account:** Series 2003 A Bonds Construction Trust Fund

03/19/03  
373420.00001

CH587736.1

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](http://www.wvwda.org) - Email: [contact@wvwda.org](mailto:contact@wvwda.org)

**BOND CLOSING ATTENDANCE LIST**

Date March 31, 2003 Time 10:00 a.m. LGA Hamrick PSD Program DWTRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Stamm Lee	Thel's n Kelly LLC	340.1318	340.1080	5500 e jae tonkaly.com
Barbara B Meadows	Water Development Authority	558.3612	558.0299	bmeadows@wvwda.org
John C. Stump	Stump & Johnson PA	553.8196	353.8181	stumpjc@stump-johnson.com
Bernie Tomkosky	WV WDA	558-3612	558-0299	dyonkosky@wvwda.org
Doug Old	WV Water Development Authority	558-3612	558-0299	dold@wvwda.org

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 Mike Helwick Telephone 304-478-2898 E-Mail \_\_\_\_\_  
 Address P.O. Box 228, Hamricks, West Virginia 26271

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 Non-Arbitrage 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.



10-011

# State of West Virginia

RW  
WT

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616  
TELEPHONE 304-558-2981

## PERMIT

PROJECT: (Water)  
Water Treatment Plant Improvements and  
Holly Meadows & Horseshoe Run  
Water Line Extension

PERMIT NO.: 15,096

LOCATION: near Hendricks

COUNTY: Tucker

DATE: 12-3-2001

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Hamrick Public Service District  
P. O. Box 228  
Hendricks, West Virginia 26271

is hereby granted approval to: upgrade the existing 200 G.P.M. Hamrick Public Service District water treatment plant. Major modifications will be the addition of a flash mixer; two (2) stage flocculation; a two (2) cell sedimentation basin with the second cell having tube settlers; a new chemical building with new chemical feed systems for alum, soda ash, DelPac, and chlorine gas; upgrade the existing mixed media filters; renovate the existing flocculator; add a new raw water rate of flow control system; add new on-line filter turbidimeters and chlorine residual analyzers; and all necessary piping, valves, controls and appurtenances. Also, to install approximately 63,258 LF of 6", 8,140 LF of 4" and 9,420 LF of 2" water line; one (1) 64 G.P.M. duplex booster pump station; one (1) 71,000 gallon water storage tank and all necessary valves, controls and appurtenances.

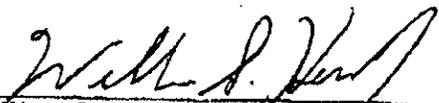
New distribution facilities will serve approximately 123 new customers in the Holly Meadows and Horseshoe Run areas of the Hamrick Public Service District.

**NOTE:** This permit is contingent upon: 1) All new water line and the new water storage tank being disinfected, flushed and bacteriologically tested prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line above the sewer line.

The Environmental Engineering Division of the Philippi District Office (304-457-2296) is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

  
William S. Herold, Jr., P.E., Assistant Manager  
Infrastructure and Capacity Development  
Environmental Engineering Division

WSH:pcs

pc: Thrasher Engineering, Inc. - Clarksburg  
Thrasher Engineering, Inc. - Charleston  
James W. Ellars, P.E., PSC-Engineering Division  
Amy Swann, PSC  
Tucker County Health Department  
OEHS-EED Philippi District Office



STATE OF WEST VIRGINIA

NATIONAL UNION FIRE INSURANCE CO.  
OF PITTSBURGH, PA. 70 PINE STREET  
NEW YORK, NY 10270

ADDITIONAL INSURED:

TUCKER COUNTY COMMISSION  
215 FIRST STREET  
PARSONS, WV 26287

CERTIFICATE NO: L 0347 - Sep 1, 1986

This certifies that the insured named above is an Additional Insured for the Coverage indicated below under General Liability Policy GL 6125397 and Automobile Policy CA 5349301 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, 2002 To: Jul 1, 2003 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.

-----

-----  
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 0347 - Sep 1, 1986  
TUCKER COUNTY COMMISSION  
-----

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: September 15, 1981

BY: \_\_\_\_\_

*Bob A. MSA*

AUTHORIZED REPRESENTATIVE

DATED: June 28, 2002

MEMORANDUM OF PROPERTY INSURANCE  
PROVIDED BY  
STATE BOARD OF RISK AND INSURANCE MANAGEMENT

---

NAME OF INSURED: TUCKER COUNTY COMMISSION

215 FIRST STREET  
PARSONS, WV 26287

MEMORANDUM NO: P 0347 - Sep 1, 1986

COVERAGE PERIOD: From Jul 1, 2002 To Jul 1, 2003 12:01 E.S.T.

DEDUCTIBLE: \$1,000 Each Occurrence

This memorandum presents a summary of coverage only and is subject to the terms, conditions and exclusions of the entire policy. The policy may be inspected at the office of The Board of Risk and Insurance Management, 90 MacCorkle Ave SW, Suite 203 So Chas, WV 25303 during its regular business hours. Reproduction of the policy shall be at cost.

1. AMOUNT OF COVERAGE. Subject to the limitations that follow the maximum amount payable for a covered loss is \$201,000,000 each occurrence.
    - a. Fidelity Honest Bond. The maximum amount payable is \$2,000,000.
    - b. Money and Securities. The maximum amount payable is \$1,500,000.
    - c. Vehicles and mobile equipment. The maximum amount payable is \$7,000,000 and applies in excess of the amount recoverable under the physical damage coverage included in the liability certificate.
    - d. Boiler and Machinery. The maximum amount payable is \$7,000,000.
  2. PROPERTY COVERED.
    - a. All real and personal property owned by the Insured, except as stated in item 3 below.
    - b. Property of others in the Insured's custody, if the Insured is legally responsible for the loss.
    - c. When resulting from damage to Insured-owned property:
      - (1) The cost to recreate valuable papers and records.
      - (2) The increase in operating expenses required to continue operations.
-

---

3. PROPERTY EXCLUDED:

- a. Aircraft.
- b. Roads, bridges, tunnels, dams, guard rails, outdoor signs and similar property.
- c. Buildings in the course of construction.
- d. Plants and animals.

4. PERILS COVERED:

Coverage applies to losses from any cause, except as stated in item 5 below.

5. PERILS NOT COVERED:

- a. Nuclear contamination.
- b. Wear and tear, rust, dryrot and similar degenerative causes.
- c. Pollution and contamination
- d. Earth movement and flood.
- e. Failure of data processing or other equipment or machinery to recognize a specific date.

6. AMOUNT PAYABLE FOR COVERED LOSSES:

- a. Artwork. The amount for which the item is carried on the Insured's books.
  - b. Vehicles and mobile equipment. The actual cash value of the vehicle.
  - c. Valuable Papers. The cost to duplicate the papers, including the cost of research time necessary to gather required information.
  - d. Extra Expense. The increase in operating expense necessarily incurred to continue normal operations.
  - e. Income. The loss of income that would have been received had no loss occurred, less expenses that will not continue.
  - f. Other Property. The replacement cost of the damaged or destroyed property.
-

---

7. DEFINITIONS:

- a. Occurrence. The term "occurrence" means the total loss by any peril or combination of perils insured against arising out of a single event.
- b. Replacement Cost. The term "replacement cost" means the cost to replace or reinstate the property, or any part or parts thereof, on the same site in a condition equal to, but not superior to or more extensive than, the condition when new.

8. CONDITIONS UNDER WHICH COVERAGE IS PROVIDED:

- a. The building and its contents must have been reported to the Board.
- b. The loss must be promptly reported to the Board on "Insurance Loss Notice" form provided by the claim department, and mailed to the location shown in item 9 below.

9. QUESTIONS AND LOSS REPORTING:

If there are any questions or to report a loss, contact:

Claim Manager  
West Virginia Board of Risk and Insurance Management  
90 MacCorkle Avenue S.W.  
Suite 203  
South Charleston, West Virginia 25303

Phone: (304) 766-2646  
(800) 345-4669  
FAX: (304) 766-2653

DATE: June 28, 2002

BY:

AUTHORIZED REPRESENTATIVE

---

ACCOUNT NUMBER 347 INSURED: TUCKER COUNTY COMMISSION		
VEHICLE MAKE	IDENTIFICATION #	USE
1997 FORD, TYPE 1 4X4	1FDKF38F5VECO1772	AMBULANCE
1999 FORD, TYPE 1 4X4	1FDWF37F8XEB58470	AMBULANCE
1989 FORD, TYPE 11 4X4	1FDHS34MSKHB62332	AMBULANCE
1991 FORD, TYPE 111	1FDKE30M4MHA15554	AMBULANCE
1995 FORD, TYPE 111	1FDKE30F9SHA84599	AMBULANCE
1993 FORD RANGER	1FTCR15X8PTA30855	HAMRICK PSD
1999 CHEV. 3/4 CK2500 TON TRUCK	1GCGK24R2XR706325	HAMRICK PSD
1999 TRAILOR	4MJUB1420XE020242	HAMRICK PSD
1999 GENERATOR	16MPF061XXD024599	HAMRICK PSD
2002 DODGE DURANGO	1B4HS38NX2F210438	PATROL
1998 JEEP CHEROKEE	1J4FJ28S1WL252835	PATROL
1998 CHEV. LUMINA	2G1WL52K9W9238854	PATROL
1995 FORD TAURAS	1FALP5242SA237941	PATROL
2001 CHEV. IMPALA	2G1WF55L019224921	PATROL
1995 CHEV. TRUCK	1GCEK14Z8SZ212948	DOG TRUCK
1998 JEEP CHEROKEE	1J4FJ28SXTL283710	OES
2002 29' TRAILER ROCKWOOD TRAVEL	4X4TRLD262D990366	OES
FORD TRACTOR MODEL #4810	SER # 7209	CAMP KIDD
JOHN DEERE TRACTOR MODEL #1050	CH10505017311	CAMP KIDD
JOHN DEERE TRACTOR MODEL #3TNA72VJ3	MOO272X537501	CAMP KIDD
NATIONAL FRINGE MOWER MODEL #84	093	CAMP KIDD
STATESMAN 20 HP RIDING MOWER	YBSXS7482VE	CAMP KIDD

\*  
\*  
\*

\* = Hamrick PSD

AGENT NAME: HANSFORD INSURANCE AGENCY INC.  
 ENTITY NAME: TUCKER COUNTY COMMISSIONER  
 ACCOUNT NUMBER: 00000347  
 DATE: DEC 9, 2002

ITEM #	INSURED-DIV-LOC	NAME	STREET	CITY	ZIP	OWNED	BT	TYPE	SPRINKLER	SQ FOOT
21	00000347-01-00970	TREATMENT PLANT	NORTH OF RT. 72	HENDRICKS	26271	0	100	1	NONE	1,250
22	00000347-01-00080	OFFICE		HENDRICKS	26269	0	100	1	NONE	1,175
23	00000347-01-00090	HARRICK PSD GARAGE		HENDRICKS	26271	0	100	1	NONE	1,208
24	00000347-01-00100	PUMP STATION	RT. 72	HENDRICKS	26269	0	100	1	NONE	0
25	00000347-01-00110	STORAGE TANK #1	RT. 72	HENDRICKS	26269	0	100	1	NONE	0
26	00000347-01-00120	STORAGE TANK #2	BLACKMAN HEIGHTS	HENDRICKS	26269	0	100	1	NONE	0
27	00000347-01-00150	CANAAN VALLEY SQUAD	RT 32	DAVIS WV	26260	0	100	1	NONE	2,800
28	00000347-01-00160	SENIOR CENTER	706 3RD ST	PARSONS	26287	0	100	1	NONE	7,920
29	00000347-01-00170	THOMAS SQUAD HOUSE	RT 219	THOMAS WV	26292	1	100	1	NONE	0
30	00000347-01-00180	TUCKER TOURISTS INFO	WILLIAM AVE.	DAVIS	26260	0	100	1	NONE	0

ITEM #	TYPE OF CONSTR.	FIRE CLASS	FLOOD ZONE	BASEMENT	OCCUPANCY	MINI SUB	CITY LIMITS	STRUCTURE COVERAGE	STRUCTURE CHANGES	CONTENTS COVERAGE	CONTENT CHANGES	UNIT NUMBER	TOTAL VALUES
21	5	10	E	01	N	UNK	N	63,800		120,000			\$191,000
22	6	10	E	01	0	UNK	N	48,420		30,000			\$78,420
23	6	06	E	01	G	NO	U	40,000		10,000			\$50,000
24	5	10	E	01	H	UNK	H	77,266		25,000			\$102,266
25	5	10	N	00	N	NO	N	51,511		0			\$51,511
26	5	10	N	00	N	NO	N	51,511		0			\$51,511
27	5	07	E	00	0	UNK	Y	0		17,000			\$17,000
28	3	06	E	02	A	NO	Y	417,000		0			\$417,000
29	3	09	E	01	G	NO	Y	0		22,000			\$22,000
30	3	07	E	01	Z	NO	Y	0		25,000			\$25,000

\* = Harrick PSD

AGENT NAME: HANSFORD INSURANCE AGENCY INC.  
 ENTITY NAME: TUCKER COUNTY COMMISSION  
 ACCOUNT NUMBER: 00000347  
 DATE: DEC 4, 2002

Mar 19, 2003 8:05AM

ITEM	INSURED-DIV-LOC	NAME	STREET	CITY	ZIP	OWNED	BUILT	YEAR	TYPE	SPRINKLER	SQ FOOT
31	00000347-01-00190	EQUIPMENT SHED	HOLLY MEADOWS ROAD	PARSONS	26287	0	1997	1997	B	NONE	1,792
32	00000347-01-00200	WATER TANK #5	CAMP KIDD ROAD	PARSONS	26287	0	1994	1994	T	NONE	0
33	00000347-01-00201	PUMP STATION #1	MURSEY BOTTOM RD	PARSONS	26287	0	1998	1998	B	NONE	0
34	00000347-01-00202	PUMP STATION#2	UNKNOWN	HARBLETON	26269	0	1998	1998	B	NONE	0
35	00000347-01-00203	PUMP STATION #3	UNKNOWN	HEMPHICKS	26269	0	1998	1998	B	NONE	0
36	00000347-01-00204	PUMP STATION #4	HINCHCLIFFE PLANT	HEMPHICKS	26269	0	1993	1993	B	NONE	0
37	00000347-01-00205	PUMP STATION #5	PIEDMONT STREET	HEMPHICKS	26269	0	1998	1998	B	NONE	0
38	01000347-01-00206	PUMP STATION #6	219/15 BLACKMAN FLATS	HARBLETON	26269	0	1998	1998	B	NONE	0
39	00000347-01-00207	PUMP STATION #7	BLACKMAN HEIGHTS	HARBLETON	26269	0	1998	1998	B	NONE	0

ITEM	TYPE OF CONSTR.	FIRE CLASS	FLOOD ZONE	BASEMENT	OCCUPANCY	BASEMENT	MINI SUB	CITY LIMITS	STRUCTURE COVERAGE	STRUCTURE CHANGES	CONTENTS COVERAGE	CONTENTS CHANGES	TOTAL VALUES
31	6	06	N	01	Z	NO	NO	N	34,000		20,000		\$50,000
32	1	00	N	01	N	NO	NO	N	57,000		0		\$57,000
33	1	06	N	01	Z	NO	NO	N	70,000		0		\$70,000
34	1	08	N	01	Z	NO	NO	N	72,000		0		\$72,000
35	1	08	N	01	Z	NO	NO	N	65,000		0		\$65,000
36	1	08	N	01	Z	NO	NO	N	36,000		0		\$36,000
37	1	00	N	01	Z	NO	NO	N	25,000		0		\$25,000
38	1	00	N	01	Z	NO	NO	N	25,000		0		\$25,000
39	1	00	N	01	Z	NO	NO	N	70,000		0		\$70,000
TOTAL PROPERTY VALUES											3,957,700	799,000	\$4,756,700

*Hamrick PSD*

I HAVE REVIEWED THESE PROPERTY VALUES AND HAVE MADE CHANGES WHERE NECESSARY.

INSURED SIGNATURE

*John D. ...*

TITLE

*County Administrator*

DATE

*2/7/03*