

HAMRICK PUBLIC SERVICE DISTRICT

**Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)**

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HAMRICK PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1997 A
(WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

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HAMRICK PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES 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 \$280,159 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A 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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. 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 does not presently own or operate a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed public sewerage facilities to be owned and operated by the Issuer, consisting of a wastewater service line to serve the Blackman

Flats area of Tucker County and the Tucker Valley Middle School, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (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 such costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$280,159 (the "Series 1997 A Bonds"), initially to be 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 upon the Series 1997 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 1997 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 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 1997 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 40 years.

F. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental

Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding obligations of the Issuer which will rank prior to or on a parity with or junior and subordinate to the Series 1997 A Bonds as to liens, pledge and source of and security for payment.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 1997 A Bonds, and to make payments into the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account and other payments provided for herein, all as such terms are 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 1997 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 1997 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council 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 1997 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 1997 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 Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

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

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"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 1997 A Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

"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 1997 A Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1997 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.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Kelley, Gidley, Blair & Wolfe, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System or portion thereof; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

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

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

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or 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, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"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 among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1997 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 1997 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 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 1997 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 which is acquired with the gross proceeds or any other proceeds of the Series 1997 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 A Bonds.

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

Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"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 cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 1997 A Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

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

"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 State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established in Section 5.01 hereof.

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

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

"Series 1997 A Bonds" means the not more than \$280,159 in aggregate principal amount of Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 1997 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1997 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 Series 1997 A Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund and the Reserve Account.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$1,030,159, 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 1997 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated to be \$1,030,159, of which approximately \$750,000 will be from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and \$280,159 will be from proceeds of the Series 1996 Bonds.

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 1997 A Bonds, funding a reserve account for the Series 1997 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1997 A Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program)," in the principal amount of not more than \$280,159, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 A Bonds remaining after funding of the Series 1997 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1997 A Bonds, if any, shall be deposited in or credited to the Bond 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 1997 A Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, 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 1997 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 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 1997 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 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. The Series 1997 A Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Series 1997 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 1997 A Bonds shall cease to be such officer of the Issuer before the Series 1997 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 1997 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 1997 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1997 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 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 1997 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 said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 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 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 Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 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 and amounts, if any, in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account. No holder or holders of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Series 1997 A Bonds shall be secured forthwith equally and

ratably with each other by a first lien on the Net Revenues derived from the System. No other indebtedness of the Issuer is secured by a lien on the Net Revenues of the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1997 A 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 1997 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 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 1997 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 1997 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 1997 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 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
SEWER REVENUE BOND, SERIES 1997 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-_____

\$ _____

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, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, without interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance

hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (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 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, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account") and unexpended proceeds of the Bonds. No other indebtedness of the Issuer is secured by a lien on the Net Revenues of the System. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 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 prior to or on a parity with or junior to the Bonds; provided however, that so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with or junior to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank,

National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 _____, 199__.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 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: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(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 1997 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.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Bond Construction Trust Fund.

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

- (1) Series 1997 A Bonds Sinking Fund; and
- (2) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 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 1997 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, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1997 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 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 1997 A Bonds Reserve Requirement.

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

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 A Bonds as the same shall become due. Moneys in the Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond 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 1997 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 A Bonds Reserve Account which result in a reduction in the balance of the Series 1997 A Bonds Reserve Account to below the Series 1997 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full to the Series 1997 A Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1997 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 appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 A Bonds Sinking Fund or the Series 1997 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the

required principal, interest and reserve payments with respect to the Series 1997 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 such day is not a business day, then the next succeeding business day) deposit with the Commission the SRF Administrative Fee as set forth in 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 as Exhibit F, 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 said 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.

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1997 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 A Bonds, there shall first be deposited with the Commission in the Series 1997 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 1997 A Bonds for the period commencing on the date of issuance of the Series 1997 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 1997 A Bonds, there shall be deposited with the Commission in the Series 1997 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 A Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

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 1997 A Bonds shall be used to fund the Series 1997 A Bonds Reserve Account, if not funded upon issuance of the Series 1997 A Bonds, in an amount not to exceed the Series 1997 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1997 A Bonds be deposited in the Series 1997 A Bonds Reserve Account.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1997 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

On or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1997 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Series 1997 A Bonds which shall be made upon request of the Issuer), shall be made only after submission to, and approval from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and
- (2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:
 - (A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
 - (B) That 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) That each of such costs has been otherwise properly incurred; and
 - (D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, 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 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 1997 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 1997 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1997 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1997 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1997 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 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 Final Order of the Public Service Commission of West Virginia entered May 30, 1996, in Case No. 94-0751-PSD-CN, and such rates are hereby adopted.

Section 7.05. Sale of the System. So long as the Series 1997 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation 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 1997 A Bonds, immediately be remitted to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1997 A Bonds. Any balance remaining after the payment of the Series 1997 A Bonds and interest 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, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this 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, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. 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 1997 A Bonds. All obligations issued by the Issuer after the issuance of the Series 1997 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 1997 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 1997 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 1997 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 A Bonds pursuant to this Bond Legislation, except 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 1997 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions and improvements to the System or refunding the Series 1997 A Bonds issued pursuant hereto, or both such purposes.

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

to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, 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 Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 1997 A Bonds on such revenues. The Issuer shall

not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 A Bonds.

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

Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority and the DEP submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority and the DEP to the issuance of the Parity Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as it 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 DEP, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 A Bonds, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants 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 1997 A Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1997 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the 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.

The Issuer shall permit the Authority and the DEP, or its 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 DEP, or its 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 Authority and the DEP with respect to the System pursuant to the Act.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Series 1997 A Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1997 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with or junior to the Series 1997 A 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 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Series 1997 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

for operation and maintenance of the System at all reasonable times to the Authority and the DEP and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and the DEP and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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 as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% 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 and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates

be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the 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 also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. 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. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by

such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders.
The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all Federal and state requirements and standards.

The Issuer will obtain 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 necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds

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

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 A Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

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

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 A Bonds which would cause the Series 1997 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1997 A Bonds) so that the interest on the Series 1997 A Bonds will be and remain excluded from gross income for

Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 1997 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1997 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. In the event of a failure to pay the correct rebate amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States such amount or amounts, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for any exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on

all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

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 1997 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on the Series 1997 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 1997 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1997 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.

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

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the

System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1997 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Series 1997 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1997 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 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 1997 A Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Series 1997 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 1997 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1997 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 1997 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. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

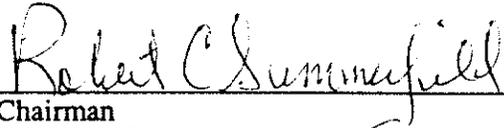
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the 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 11.07. 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 1997 A Bonds to be issued;
- (b) The maximum interest rate and terms of the Series 1997 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 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

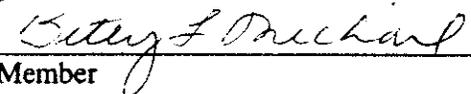
Adopted this 10th day of February, 1997.



Chairman



Member



Member

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 10th day of February, 1997.


Chairman

Member

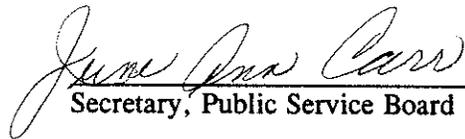
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of HAMRICK PUBLIC SERVICE DISTRICT on the 10th day of February, 1997.

Dated: February 11, 1997.

[SEAL]


Secretary, Public Service Board

01/08/97
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EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

1

2

HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), OF HAMRICK PUBLIC SERVICE DISTRICT; RATIFYING AND APPROVING A 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 February 10, 1997 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES 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 \$280,159 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A 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 meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program) (the "Bonds" or the "Series 1997 A Bonds"), of the Issuer, in an aggregate principal amount not to exceed \$280,159, and has authorized the execution and delivery of a loan agreement relating to the Bonds dated December 20, 1996 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the 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 and that the Loan Agreement be approved and entered into 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 and the sale price 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 SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), of the Issuer, originally

represented by a single Bond, numbered AR-1, in the principal amount of \$280,159. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2018, and shall bear no interest. The principal of the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, and ending March 1, 2018, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Series 1997 A Bonds set forth in "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 Resolution.

Section 3. The Issuer does hereby ratify, approve 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 application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon; provided that, the proceeds of the Bonds will be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds 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 direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer does hereby appoint Citizens National Bank, Parsons, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 1997 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1997 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of \$14,008 shall be deposited in the Series 1997 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1997 A Bonds shall be deposited in the Bond Construction Trust Fund as received from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 1997 A Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 1997 A Bonds hereby and by the Resolution approved and provided for, to the end that the Series 1997 A Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about February 11, 1997.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 1997 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

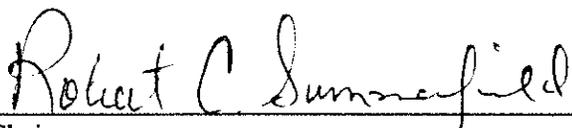
Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed by the Issuer. Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

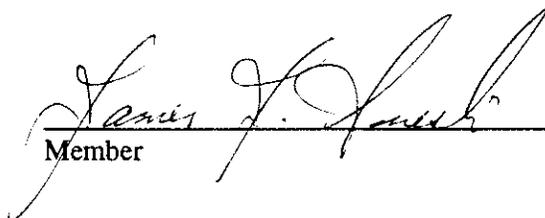
Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Series 1997 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue 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 Series 1997 A 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.

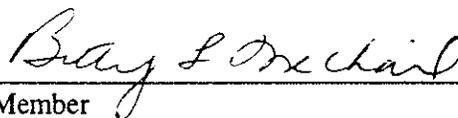
Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 10th day of February, 1997.

HAMRICK PUBLIC SERVICE DISTRICT


Chairman

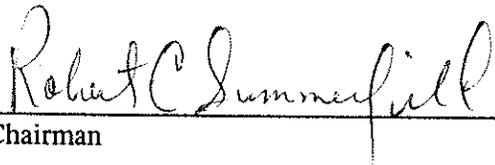

Member


Member

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

Adopted this 10th day of February, 1997.

HAMRICK PUBLIC SERVICE DISTRICT


Chairman

Member

Member

CERTIFICATION

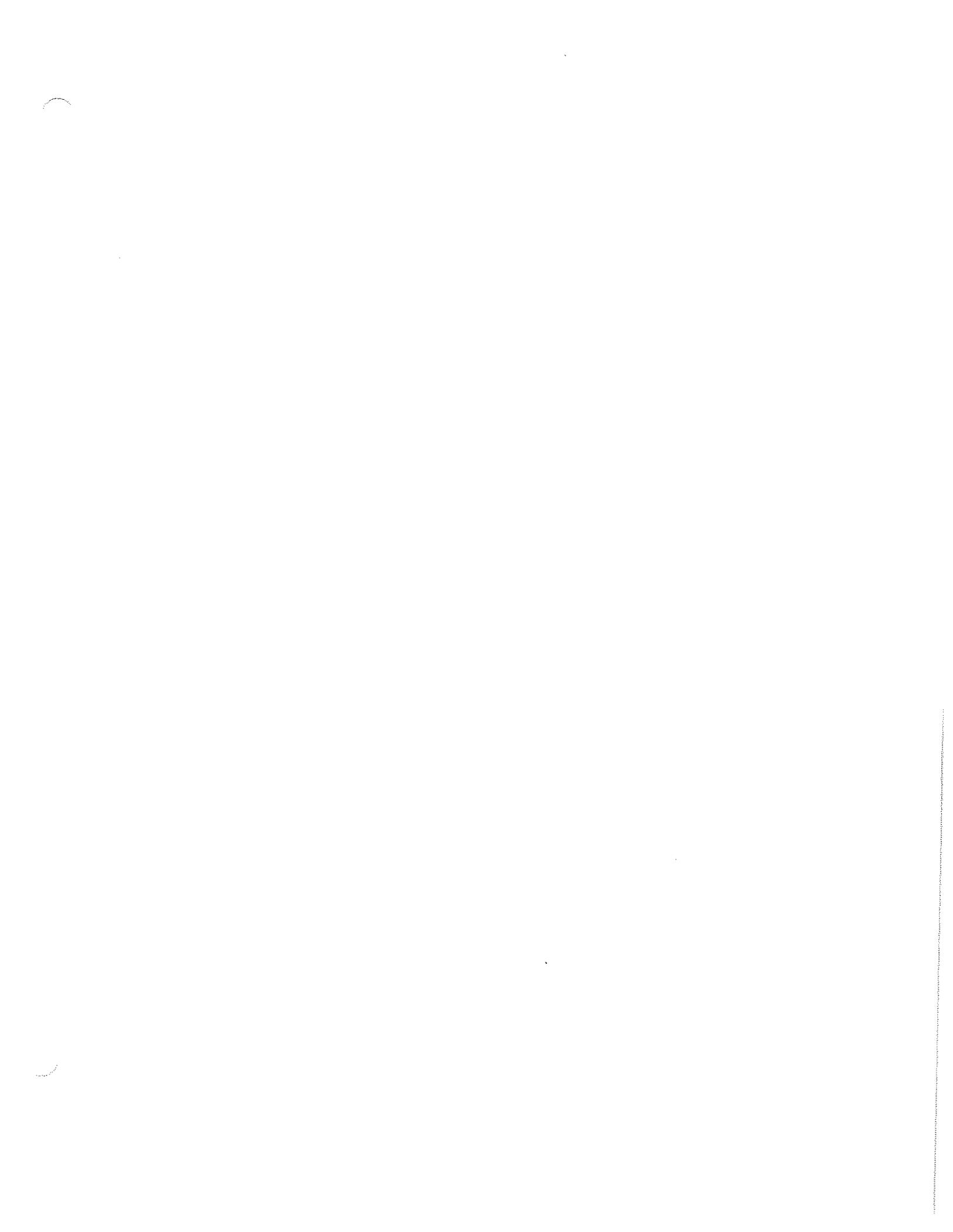
Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of HAMRICK PUBLIC SERVICE DISTRICT on the 10th day of February, 1997.

Dated: February 11, 1997.

[SEAL]


Secretary, Public Service Board

01/08/97
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373420/95001



LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Department of Commerce, Labor and Environmental Resources (the "DEP"), and the local government designated below (the "Local Government").

HAMRICK PUBLIC SERVICE DISTRICT
(Local Government)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards and DEP has been awarded capitalization grants to partially fund the Program;

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by

such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

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

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for 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 DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

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

ARTICLE I

Definitions

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

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

1.3 "Loan" means the loan to be made by the Authority and DEP to the Local Government 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 Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government 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 wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

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

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

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

1.12 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 Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

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

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

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

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

the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the

Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% completion stage.

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local

Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the

Authority, and in furtherance thereof it is agreed that the Local Government 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 Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date set forth in Exhibit E hereto.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government'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 Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as 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. The revenues generated from the operation of the System 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 an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

(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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

a lien on or payable from the revenues of the System prior to the Local Bonds and with the written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

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

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

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC,

prospective users of the System shall be required to connect thereto;

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

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

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

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is

sufficient to pay the costs of acquisition and construction of the Project; and

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

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

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

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

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

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

4.6 The obligation of the Authority to 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 Government;
Imposition and Collection of User Charges;
Payments To Be Made by
Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government 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, as set forth in the Local Act and in compliance with the provisions of Subsection 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 minimum sums set forth in the Local Act, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

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

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default

hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

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

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP 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 DEP 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 DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the SRF Regulations or this Loan Agreement.

6.3 The Local Government 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 Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue

Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

7.1 Schedule 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 Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this 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 merges and 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 Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

[Proper Name of Local Government]

(SEAL)

By: *Ronald C. [Signature]*
Its: Chairman

Attest:

Date: 12/24/96

James Van Curren
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara S Taylor
Its: Chief, Office of Water Resources

Date: 1/2/97

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: James B. Gorkosh
Its: Director

Attest:

Date: December 20, 1996

Barbara B Meadows
Secretary-Treasurer

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of August, 1992.

Attorney General
BY: Dawn E Wayfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

- a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19____.
- b. Utilized the services of _____,
our prime engineer who either:
 - _____ Supervised our project construction; and/or
 - _____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

- 1) Directed project operation and maintenance; and
- 2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
- 3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

- a. The specifications for which the project was planned, designed, and built.
- b. The effluent limitations contained in its NPDES permit, if applicable.

Local Government Name

Local Government Representative's Name and Title

Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - _____

Report Month: _____

<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
1. Gross Revenues Collected				
2. Operation and Maintenance Expense				
3. Other Bond Debt Payments (including Reserve Fund deposits)				
4. SRF Bond Payments (include Reserve Fund deposits)				
5. Renewal and Replacement Fund Deposit				
6. Funds available for capital construction				

Witnesseth my signature this _____ day of _____, 19__.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(TO BE PROVIDED BY DEP FOR EACH PROJECT)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, _____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, 19__, at the respective rate or rates and with principal payable in installments on _____ 1 in each of the years, all as follows:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
-------------	--------------------	----------------------

The Local Bonds are issued for the purpose of _____
_____ and 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 enacted by the Local Government on _____ (the "Local

Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that 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 Government and is a valid and binding special obligation of the Local Government enforceable in accordance with the terms thereof.

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

3. The Local Government is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. 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 are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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.

EXHIBIT E

[Special Conditions]

The recipient agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations 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

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Fund: \$_____

Witness my signature this ___ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____ Consulting Engineers, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions

of Subsection 4.1(b) of the Loan Agreement, (vi) 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 irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this _____ day of _____, 19____.

By _____

West Virginia License No. _____

[SEAL]

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 BONDS

Principal Amount of Bonds	\$ 280,159
Purchase Price of Bonds	\$ 280,159

Interest on the Bonds shall be zero percent ~~from the date of delivery to and including~~----- Principal and interest on the Bonds is payable quarterly, commencing June 1, 1998, at a rate of 0% per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has no other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds ~~or provide list of outstanding debt~~.

The Local Government shall submit its payments monthly to the West Virginia Municipal Bond Commission with instructions that the West Virginia Municipal Bond Commission will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the Bond Commission in writing by the Authority. If the Reserve Fund is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Bond Commission. The Local Government shall instruct the Bond 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 Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a first lien on the net revenues of the Local Government's system.

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

SCHEDULE Y

Hamrick PSD \$280,159.00 0% interest rate, 1% annual fee DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1998	-	-	-	-
6/01/1998	3,501.99	-	-	3,501.99
9/01/1998	3,501.99	-	-	3,501.99
12/01/1998	3,501.99	-	-	3,501.99
3/01/1999	3,501.99	-	-	3,501.99
6/01/1999	3,501.99	-	-	3,501.99
9/01/1999	3,501.99	-	-	3,501.99
12/01/1999	3,501.99	-	-	3,501.99
3/01/2000	3,501.99	-	-	3,501.99
6/01/2000	3,501.99	-	-	3,501.99
9/01/2000	3,501.99	-	-	3,501.99
12/01/2000	3,501.99	-	-	3,501.99
3/01/2001	3,501.99	-	-	3,501.99
6/01/2001	3,501.99	-	-	3,501.99
9/01/2001	3,501.99	-	-	3,501.99
12/01/2001	3,501.99	-	-	3,501.99
3/01/2002	3,501.99	-	-	3,501.99
6/01/2002	3,501.99	-	-	3,501.99
9/01/2002	3,501.99	-	-	3,501.99
12/01/2002	3,501.99	-	-	3,501.99
3/01/2003	3,501.99	-	-	3,501.99
6/01/2003	3,501.99	-	-	3,501.99
9/01/2003	3,501.99	-	-	3,501.99
12/01/2003	3,501.99	-	-	3,501.99
3/01/2004	3,501.99	-	-	3,501.99
6/01/2004	3,501.99	-	-	3,501.99
9/01/2004	3,501.99	-	-	3,501.99
12/01/2004	3,501.99	-	-	3,501.99
3/01/2005	3,501.99	-	-	3,501.99
6/01/2005	3,501.99	-	-	3,501.99
9/01/2005	3,501.99	-	-	3,501.99
12/01/2005	3,501.99	-	-	3,501.99
3/01/2006	3,501.99	-	-	3,501.99
6/01/2006	3,501.99	-	-	3,501.99
9/01/2006	3,501.99	-	-	3,501.99
12/01/2006	3,501.99	-	-	3,501.99
3/01/2007	3,501.99	-	-	3,501.99
6/01/2007	3,501.99	-	-	3,501.99
9/01/2007	3,501.99	-	-	3,501.99
12/01/2007	3,501.99	-	-	3,501.99
3/01/2008	3,501.99	-	-	3,501.99
6/01/2008	3,501.99	-	-	3,501.99
9/01/2008	3,501.99	-	-	3,501.99
12/01/2008	3,501.99	-	-	3,501.99
3/01/2009	3,501.99	-	-	3,501.99
6/01/2009	3,501.99	-	-	3,501.99
9/01/2009	3,501.99	-	-	3,501.99
12/01/2009	3,501.99	-	-	3,501.99
3/01/2010	3,501.99	-	-	3,501.99
6/01/2010	3,501.99	-	-	3,501.99

Hamrick PSD
\$280,159.00
0% interest rate, 1% annual fee

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2010	3,501.99	-	-	3,501.99
12/01/2010	3,501.99	-	-	3,501.99
3/01/2011	3,501.99	-	-	3,501.99
6/01/2011	3,501.99	-	-	3,501.99
9/01/2011	3,501.99	-	-	3,501.99
12/01/2011	3,501.99	-	-	3,501.99
3/01/2012	3,501.99	-	-	3,501.99
6/01/2012	3,501.99	-	-	3,501.99
9/01/2012	3,501.99	-	-	3,501.99
12/01/2012	3,501.99	-	-	3,501.99
3/01/2013	3,501.99	-	-	3,501.99
6/01/2013	3,501.98	-	-	3,501.98
9/01/2013	3,501.98	-	-	3,501.98
12/01/2013	3,501.98	-	-	3,501.98
3/01/2014	3,501.98	-	-	3,501.98
6/01/2014	3,501.98	-	-	3,501.98
9/01/2014	3,501.98	-	-	3,501.98
12/01/2014	3,501.98	-	-	3,501.98
3/01/2015	3,501.98	-	-	3,501.98
6/01/2015	3,501.98	-	-	3,501.98
9/01/2015	3,501.98	-	-	3,501.98
12/01/2015	3,501.98	-	-	3,501.98
3/01/2016	3,501.98	-	-	3,501.98
6/01/2016	3,501.98	-	-	3,501.98
9/01/2016	3,501.98	-	-	3,501.98
12/01/2016	3,501.98	-	-	3,501.98
3/01/2017	3,501.98	-	-	3,501.98
6/01/2017	3,501.98	-	-	3,501.98
9/01/2017	3,501.98	-	-	3,501.98
12/01/2017	3,501.98	-	-	3,501.98
3/01/2018	3,501.98	-	-	3,501.98
TOTAL	280,159.00	-	-	280,159.00

* Plus one-percent annual administrative fee paid quarterly in the amount of \$354.58. The total administrative fee over the life of the loan is \$28,366.40.

YIELD STATISTICS

Accrued Interest from 03/01/1998 to 03/01/1998...	-
Average Life.....	10.125 YEARS
Bond Years.....	2,836.61
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	1.0012500%
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	1.0012500%



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

Entered: May 30, 1996

6-19-96

CASE NO. 94-0751-PSD-CN

HAMRICK PUBLIC SERVICE DISTRICT, a public utility, Hambleton, Tucker County.

Application for a certificate of convenience and necessity to construct and maintain a wastewater service line in the Blackman Flats Area at Rt. #1, Hambleton, Tucker County, and for approval of financing and rates and charges incidental thereto.

RECOMMENDED DECISION

On January 29, 1996, the Hamrick Public Service District (District) filed with the Public Service Commission an application for a certificate of convenience and necessity. The District is proposing to construct facilities to provide sewage service to the Blackman Heights area of Tucker County and to the new Tucker Valley Middle School which opened in August 1995. Currently, the school is using a package treatment plant which was approved by the Division of Environmental Protection for an interim period until the subject project can be completed. Included with the filing was a Rule 42 Exhibit which included proposed sewer rates for the District's customers.

Hamrick Public Service District proposes to construct approximately 12,600 linear feet of 8-inch PVC SDR pipe ; 1,170 linear feet of 6-inch line PVC SDR; 210 linear feet of 4-inch dip force main (class 52) pipe; 120 linear feet of 4-inch dip bolt lock RJ force main (class 52) pipe; and 3,700 linear feet of 4-inch PVC-SDR pipe.

Hamrick Public Service District estimates that the construction will cost approximately \$1,185,538, and proposes to finance said project as follows:

Community Development Block Grant	\$750,000
State Revolving Loan	435,538

By Notice of Filing Order entered on January 29, 1996, the District was directed to give notice of its application by publishing a copy of the Notice of Filing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Tucker County. If no public protest is timely filed in response to the published notice, the Commission is authorized to render a decision without a hearing, by virtue of the provisions of West Virginia Code §24-2-11.

On February 5, 1996, the Public Service Commission issued a Referral Order in this matter, referring this case to the Division of Administrative Law Judges for a decision to be rendered on or before August 26, 1996.

On February 15, 1996, Hamrick Public Service District filed an affidavit of publication indicating that publication was made of the Notice of Filing on February 7, 1996, in The Parsons Advocate. No protests were filed in response to the published notice.

On February 15, 1996, Hamrick Public Service District filed an agreement between it and the City of Parsons.

On February 28, 1996, the Commission received a letter from Mike Johnson, P.E., Office of Water Resources, Division of Environmental Protection, which indicates that the State Revolving Fund intends to loan to the District an amount not to exceed \$435,538, at 1% for 20 years.

On May 10, 1996, Susan J. Riggs, Staff Attorney, filed an Initial and Final Joint Staff Memorandum in this proceeding. Attached to that Memorandum was a Final Internal Staff Memorandum from Robert L. Skiles, Jr. P.E., Utility Engineer, and James W. Boggess, Jr., Utilities Analyst. According to the Staff Engineer, the project has not yet been bid. Construction of the project is estimated to cost \$850,393.22, which is believed to be a reasonable estimate therefor. The total project cost is estimated to be approximately \$1,161,536.75. For 81 customers, this cost equates to \$14,340 per customer. This is regarded by Technical Staff as a high, but not unusual, per customer investment for the provision of sewer service. A breakdown of construction and project costs was provided as Exhibits A and B accompanying the District's response to Staff's First Request for Information.

There is an existing wastewater collection and treatment system which serves the Blackman Heights Subdivision. According to Staff, the collection system is of improper construction and does not meet Bureau of Public Health standards. Wastewater from the subdivision is discharged into a three cell stabilization pond for treatment. The pond is in a deteriorated condition and does not provide proper treatment. The entire sewer collection and treatment system has been cited by the Bureau of Public Health for numerous deficiencies and is the subject of Civil Action No. 83-C-31 in the Circuit Court of Tucker County. The proposed project, therefore, is necessary to eliminate these deficiencies by providing a new collection system and subsequent pumping of the sewage to the City of Parsons for treatment. Further, the project is needed to provide service to the Tucker County Middle School and eliminate an existing package treatment plant currently serving the school. Technical Staff does not take issue with project necessity or the collection and treatment alternative chosen.

Operation and maintenance expenses, as presented in the District's Rule 42 Exhibit, are estimated to be \$23,045 annually. Technical Staff has reviewed the Annual Reports for the City of Parsons (FYE 6/30/95), and the District (FYE 6/30/95), to determine the relative accuracy of the estimated expenses. Staff's review of these documents, along with engineering estimates found in the June 1994 Facility Plan Amendment Update, lead to the conclusion that expenses have been overestimated. Technical Staff has

developed its own estimate of these expenses, and consequently believes that \$17,783 annually is a reasonably accurate figure.

Included within Technical Staff's estimate of operation and maintenance expenses is the cost of purchasing treatment from the City of Parsons. In this regard, the cost is based upon estimated annual wastewater flow from the District multiplied by a calculated charge per 1,000 gallons. The charge per 1,000 gallons is comprised of two components which consider allocation of the City's existing debt in addition to the City's estimated increase in operation and maintenance expenses associated with transporting and treating the District's wastewater flow. The resultant purchased treatment rate of \$0.55 per 1,000 gallons is believed to be just and reasonable for the service provided.

One area of concern to Staff is existing service connections and services. The residents of the project area already receive sewage collection and treatment services, but not from a duly certificated and regulated public utility. It is Staff's understanding that they have never paid for this service, monthly or otherwise, nor have they paid a tap fee. The condition of their service laterals is unknown. In view thereof, Staff recommends that the customers be required to install new service laterals from their dwellings to their property lines, according to specifications provided by the District. Quite simply, they would be treated as if they were customers of a new sewer system. The only exception is that Staff does not recommend that the customers be charged a tap fee. The District's responsibility for installation of service laterals will be from the main to the property line, which costs are already included in the construction budget.

Plans and specifications are on file for the proposed project. With respect to these documents, Technical Staff notes that the plans contain two (2) conflicts with the Commission's Sewer Rules. Both conflicts are found on sheet number 8 of the plan drawings and involve 6-inch diameter service laterals. These laterals both cross intervening pieces of property to reach the property they serve. This is in conflict with Sewer Rule 5.4.5, which states the following:

Service pipes servicing a premise shall not pass through or across any premises or property to be serviced nor across any portion of the property that could practicably be sold separately from the immediate premise serviced and no pipes or plumbing in any premises shall be extended therefrom to adjacent or other premises.

The two service laterals in question, one of which services the new Middle School, must be redesigned as mains. Further, they must be owned, operated and maintained by the District. According to Staff, the Commission should order correction of these two rule conflicts. No other conflicts with the Commission's rule and regulations were evident.

Technical Staff has reviewed the agreement for wastewater treatment between the City of Parsons and the District. Said agreement contains language stating that the City's wastewater treatment plant and

transportation system have adequate design capacity to handle the District's flows and that the City agrees to reserve an adequate portion of that capacity for use by the District. Total amount of wastewater flow discharged into the City's collection system is limited to a flow rate of 92 gallons per minute and is not to exceed a total of 50,000 gallons per day. Infiltration and inflow within the District's newly constructed collection system is intended to be limited to zero (0) gallons of inflow and two hundred (200) gallons per inch diameter per mile of pipe per day with respect to infiltration. While Staff does not disagree with the intent of the inflow and infiltration limitation, according to Staff, the agreement's language is incorrect. Further, there appears to be stray language concerning pretreatment and industrial waste.

With further respect to the agreement, there is language requiring the District to pay the City for the additional operation and maintenance expenses incurred for flows exceeding the 50,000 gallon limitation. Flows from the District will be measured by a flow meter at the point of discharge into the City's collection system, but charges will be based upon the District's total metered water consumption. If treatment is based upon a charge per 1,000 gallons for the total of water meter readings from the District, there could be a situation where the total flow from the water meter readings is less than 50,000 gallons, but the actual measured wastewater flow exceeds 50,000 gallons because of infiltration in the District's system. How the "additional" operation and maintenance expenses will be determined is not clear. Also, this requirement seems to conflict with section 7 of the agreement, which does not allow the limitation to be exceeded.

The agreement, on page 5 and within section 3, sets forth a requirement that the District "justify the difference or have the flow meter recalibrated", if the flow meter readings do not coincide with monthly metered readings of the District's customers. According to Staff, this requirement does not make sense. Very seldom, if at all, will the two readings ever coincide. Not necessarily all of the metered water usage enters the sewer system, especially during dry weather. If the system were 100% tight during dry weather, with no infiltration or inflow, the sewage flow meter could read lower than the water meter readings. Conversely, as the collection system ages and infiltration takes on greater significance, the flow meter readings could be higher than the water meter readings. Also, the meter inaccuracies are not accounted for. Staff recommends this paragraph be stricken from the agreement.

While Technical Staff both appreciates and understands the City's concerns with respect to additional and/or excessive flows entering its system, as well as the need to be compensated for the effects such flows may have upon the system, Staff feels that the agreement, as written is contradictory, burdensome and unacceptable. The sewage flow meter should be used for purposes of comparison only, and not as the basis for any charges. If and when flows become excessive, the City has a right to reevaluate charges to the District and enact new ones without Commission intervention, except upon appeal (Code §§24-2-3 and 24-2-4b). The District has appeal rights with the Commission.

Currently, the SRF loan amount will result in a funding excess. However, it is likely that that loan amount will be adjusted once the

12-19-95 14:05 WV PUBLIC SERVICE COMMISSION 30E

construction bid is accepted. Mike Johnson indicated that there is some \$49,000,000 available and the District could request additional funds in the event of a funding deficit after the bid is let on the project. On the other hand, the loan amount could be reduced, if the bids are low. If the awarded SRF loan renders the project overfunded, the District must seek approval of the Commission for expenditure of the excess. On the other hand, if the project bid necessitates additional borrowing beyond the SRF commitment of \$435,538, the District must petition the Commission to reopen this certificate to adjust the cash requirements for the project.

The terms of the SRF loan are \$431,538 to be loaned at a 1% fixed rate of interest for 20 years. The Division of Environmental Protection has confirmed its intention of funding the loan by letter dated February 23, 1996, signed by Mike Johnson, P.E., Assistance Chief, Construction Assistance. The annual principal and interest payment will be approximately \$24,135. The District's Rule 42 included an annual bond reserve payment of \$2,413, which is 10% of the annual debt service principal and interest. However, the estimated project cost includes a prefunded reserve in the amount of \$17,600. Placed in an interest-bearing, restricted account at 3.5% rate of interest, the future value of \$17,600 will fully fund the reserve in approximately nine years. Therefore, Staff has remedied the redundancy in the reserve funding by eliminating \$2,414 from the project's cash flow. Staff has added a renewal and replacement of \$1,156, which is 2.5% of Staff's estimated annual revenues of \$46,246. The cash surplus from yearly operations is estimated to be \$2,473. The debt coverage is approximately 115.04%. No utility additions have been included in the cash flow.

Staff recommends the following:

1. Hamrick Public Service District be granted a certificate of convenience and necessity to construct this project, contingent upon the filing of a revised agreement with Parsons;
2. Approve the SRF loan not to exceed \$435,538, at 1% fixed rate for a period of twenty years;
3. Approve the Staff-recommended rates and the Staff-recommended level of operation and maintenance expenses;
4. Prohibit the Town of Parsons from basing any charges to the District upon the sewage flow meter readings;
5. The District petition the Commission to reopen this certificate case in the event the project's awarded construction bids are greater than or less the commitment of SRF lending of \$438,538 for the purpose of revising the cash flow analysis for the project; and
6. In the event the total funding for the project results in a surplus of funds received by the District, the District be ordered to petition the Commission for approval of expenditure of the surplus.

The Staff Attorney also recommended that the proposed sewage treatment agreement be revised and the Staff Attorney provided revised pages of the agreement incorporating the changes. The Staff Attorney also noted that the agreement does not include the rate to be charged by Parsons for sewage treatment. Therefore, Parsons will have to enact a municipal rate ordinance adopting the Staff-recommended rate of \$0.55 per 1,000 gallons.

The Initial and Final Joint Staff Memorandum and attachments filed on May 10, 1996, were served upon counsel for the District by letter dated May 10, 1996, providing the District with seven (7) days in which to respond. As of the date of this order, no response or objection to any Staff Recommendation has been filed.

FINDINGS OF FACT

1. On January 29, 1996, the Hamrick Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity. (See, application).
2. Hamrick Public Service District provided public notice of its application. (See, affidavit of publication filed February 15, 1996).
3. The thirty-day protest period expired on March 8, 1996, with no protests having been filed in response to the published notice. (See, case file generally).
4. The District proposes to finance the project through a Community Development Grant in the amount of \$750,000, and a State Revolving Fund loan in the amount of \$435,538. (See, Final Joint Staff Memorandum filed May 10, 1996).
5. The proposed project will serve customers currently served by an inadequate, uncertificated system which doesn't meet Bureau of Public Health standards, as well as the new Tucker County Middle School. (See, Final Joint Staff Memorandum and attachments filed May 10, 1996).
6. Staff recommended an increase over present rates. (See, Initial and Final Joint Staff Memorandum filed May 10, 1996).
7. Staff is of the opinion that the project is in the public interest, is adequately funded and should be approved. (See, Initial and Final Joint Staff Memorandum filed May 10, 1996).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.
2. The proposed project will provide adequate service.
3. The proposed project is adequately financed by a Community Development Grant in the amount of \$750,000, and a State Revolving Fund loan in the amount of \$435,538.

4. Hamrick Public Service District has provided adequate and proper notice to the public of the proposed project.

5. The issuance of this certificate of convenience and necessity shall be for the project as proposed. Any substantial changes in the scope of the project and/or funding after the granting of the certificate will require further approval from the Public Service Commission.

ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity be, and it hereby is, granted to the Hamrick Public Service District to construct and maintain wastewater facilities to serve the Blackman Heights area of Tucker County and the Tucker Valley Middle School. This recommended approval is contingent upon the District filing a modified agreement within the City of Parsons incorporating the Staff recommendations as proposed in its Initial and Final Joint Staff Memorandum filed on May 10, 1996. This modified agreement must be received by the Commission on or before June 14, 1996.

IT IS FURTHER ORDERED that the proposed financing, consisting of a Community Development Grant in the amount of \$750,000 and a State Revolving Fund loan in the amount of \$435,538, be approved.

IT IS FURTHER ORDERED that the rates and charges recommended by Commission Staff in its Initial and Final Joint Staff Memorandum filed on May 10, 1996, be, and they hereby are, approved, to become effective for the customers served by this project for all service rendered on and after the date that this project is placed into service. The District shall file a notice of the actual in-service date of the project when the project becomes operational. The District shall file a revised tariff setting forth the rates and charges approved herein within ten (10) days of the date that this order becomes final. The approved rates and charges are attached hereto as Appendix A.

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:pst

**HAMRICK PUBLIC SERVICE DISTRICT
STAFF RECOMMENDED TARIFF
CASE NO. 94-0751-PSD-CN****Staff Recommended Tariff**

Applicability

Applicable in the entire territory served

Availability of Service

Available for general domestic, commercial and industrial service

Metered Rates

Per thousand gallons used per month \$6.35

Minimum Charge

No bill will be rendered for less than 2,000 gallons used (\$12.70)

Unmetered Rate for Domestic Use Only

Based on 4,960 gallons \$31.49

Delayed Payment Penalty

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

New Service Connection Charge \$250

Water Reconnection Fee

Whenever water service has been previously disconnected or withheld for non-payment of sewer bills is reconnected, a fee of \$20.00 shall be charged.



STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY

1201 DUNBAR AVENUE
DUNBAR, WV 25064
Telephone (304) 558-3612
Telecopier (304) 558-0299

July 13, 1995

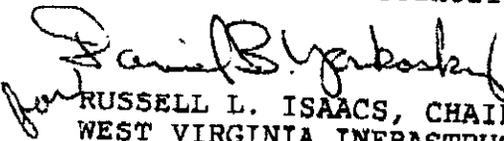
Mr. Terry Smith
Kelley, Gidley, Blair & Wolfe, Inc.
1325 Virginia Street East
Charleston WV 25301

PRELIMINARY APPLICATION -
HAMRICK PUBLIC SERVICE DISTRICT (SEWER PROJECT)

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Preliminary Application for the above-referenced project and has determined that the project is technically and financially feasible within the guidelines of the Act. (See attached Sewer Assessment Committee comments.)

The Council recommends that, although the Hamrick PSD's project appears to be eligible for financial assistance from the Infrastructure Fund, the Hamrick PSD should pursue a Small Cities Block Grant of \$750,000 and a State Revolving Fund loan of \$313,703 to secure the conventional funding portions needed for this project. The Council cannot predict if or when Infrastructure Fund moneys will become available until a court ruling has been issued regarding the constitutionality of the Infrastructure Improvement Amendment. This letter does not constitute funding approval by these agencies.

If you have any questions, please contact Daniel Vonkosky, Director of the Water Development Authority, who serves as chairman of the Council's Funding Committee.


RUSSELL L. ISAACS, CHAIRMAN
WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

c Fred Cutlip, West Virginia Development Office
Mike Johnson, Division of Environmental Protection

HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

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 11th day of February, 1997, the Authority received the Hamrick Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), issued in the principal amount of \$280,159, as a single, fully registered Bond, numbered AR-1 and dated February 11, 1997 (the "Bonds").

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of \$99,418, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the West Virginia Division of Environmental Protection as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 11th day of February, 1997.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Authorized Representative

HAMRICK PUBLIC SERVICE DISTRICT

Robert C. Summerville
Chairman

02/03/97
HMKJM.D3
373420/95001

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HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

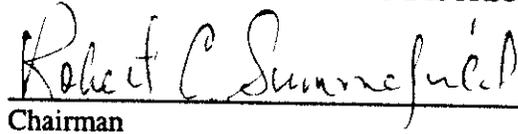
There are delivered to you herewith:

- (1) Bond No. AR-1, constituting the entire original issue of the Hamrick Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), in the principal amount of \$280,159, dated February 11, 1997 (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 and a Supplemental Resolution, both duly adopted by the Issuer on February 10, 1997 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the Secretary of the Issuer;
- (3) Executed counterparts of the loan agreement dated December 20, 1996, by and among the West Virginia Division of Environmental Protection (the "DEP"), the West Virginia Water Development Authority (the "Authority") and the Issuer (collectively, the "Loan Agreement"); and
- (4) An 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 account of the Issuer of the sum of \$99,418, 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 this 11th day of February, 1997.

HAMRICK PUBLIC SERVICE DISTRICT


Chairman

02/03/97
HMKJM.E3
373420/95001

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(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HAMRICK PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1997 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$280,159

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 TWO HUNDRED EIGHTY THOUSAND ONE HUNDRED FIFTY-NINE DOLLARS (\$280,159), 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, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, without interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated December 20, 1996.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and

Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on February 10, 1997, and a Supplemental Resolution duly adopted by the Issuer on February 10, 1997 (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 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, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account") and unexpended proceeds of the Bonds. No other indebtedness of the Issuer is secured by a lien on the Net Revenues of the System. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 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 prior to or on a parity with or junior to the Bonds; provided however, that so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with or junior to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 February 11, 1997.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: February 11, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>		<u>AMOUNT</u>	<u>DATE</u>
(1)	\$99,418	2-11-97	(19)	\$	
(2)	\$		(20)	\$	
(3)	\$		(21)	\$	
(4)	\$		(22)	\$	
(5)	\$		(23)	\$	
(6)	\$		(24)	\$	
(7)	\$		(25)	\$	
(8)	\$		(26)	\$	
(9)	\$		(27)	\$	
(10)	\$		(28)	\$	
(11)	\$		(29)	\$	
(12)	\$		(30)	\$	
(13)	\$		(31)	\$	
(14)	\$		(32)	\$	
(15)	\$		(33)	\$	
(16)	\$		(34)	\$	
(17)	\$		(35)	\$	
(18)	\$		(36)	\$	

TOTAL \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Hamrick PSD \$280,159.00 0% interest rate, 1% annual fee DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1998	-	-	-	-
6/01/1998	3,501.99	-	-	3,501.99
9/01/1998	3,501.99	-	-	3,501.99
12/01/1998	3,501.99	-	-	3,501.99
3/01/1999	3,501.99	-	-	3,501.99
6/01/1999	3,501.99	-	-	3,501.99
9/01/1999	3,501.99	-	-	3,501.99
12/01/1999	3,501.99	-	-	3,501.99
3/01/2000	3,501.99	-	-	3,501.99
6/01/2000	3,501.99	-	-	3,501.99
9/01/2000	3,501.99	-	-	3,501.99
12/01/2000	3,501.99	-	-	3,501.99
3/01/2001	3,501.99	-	-	3,501.99
6/01/2001	3,501.99	-	-	3,501.99
9/01/2001	3,501.99	-	-	3,501.99
12/01/2001	3,501.99	-	-	3,501.99
3/01/2002	3,501.99	-	-	3,501.99
6/01/2002	3,501.99	-	-	3,501.99
9/01/2002	3,501.99	-	-	3,501.99
12/01/2002	3,501.99	-	-	3,501.99
3/01/2003	3,501.99	-	-	3,501.99
6/01/2003	3,501.99	-	-	3,501.99
9/01/2003	3,501.99	-	-	3,501.99
12/01/2003	3,501.99	-	-	3,501.99
3/01/2004	3,501.99	-	-	3,501.99
6/01/2004	3,501.99	-	-	3,501.99
9/01/2004	3,501.99	-	-	3,501.99
12/01/2004	3,501.99	-	-	3,501.99
3/01/2005	3,501.99	-	-	3,501.99
6/01/2005	3,501.99	-	-	3,501.99
9/01/2005	3,501.99	-	-	3,501.99
12/01/2005	3,501.99	-	-	3,501.99
3/01/2006	3,501.99	-	-	3,501.99
6/01/2006	3,501.99	-	-	3,501.99
9/01/2006	3,501.99	-	-	3,501.99
12/01/2006	3,501.99	-	-	3,501.99
3/01/2007	3,501.99	-	-	3,501.99
6/01/2007	3,501.99	-	-	3,501.99
9/01/2007	3,501.99	-	-	3,501.99
12/01/2007	3,501.99	-	-	3,501.99
3/01/2008	3,501.99	-	-	3,501.99
6/01/2008	3,501.99	-	-	3,501.99
9/01/2008	3,501.99	-	-	3,501.99
12/01/2008	3,501.99	-	-	3,501.99
3/01/2009	3,501.99	-	-	3,501.99
6/01/2009	3,501.99	-	-	3,501.99
9/01/2009	3,501.99	-	-	3,501.99
12/01/2009	3,501.99	-	-	3,501.99
3/01/2010	3,501.99	-	-	3,501.99
6/01/2010	3,501.99	-	-	3,501.99

Hamrick PSD
\$280,159.00
0% interest rate, 1% annual fee

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2010	3,501.99	-	-	3,501.99
12/01/2010	3,501.99	-	-	3,501.99
3/01/2011	3,501.99	-	-	3,501.99
6/01/2011	3,501.99	-	-	3,501.99
9/01/2011	3,501.99	-	-	3,501.99
12/01/2011	3,501.99	-	-	3,501.99
3/01/2012	3,501.99	-	-	3,501.99
6/01/2012	3,501.99	-	-	3,501.99
9/01/2012	3,501.99	-	-	3,501.99
12/01/2012	3,501.99	-	-	3,501.99
3/01/2013	3,501.99	-	-	3,501.99
6/01/2013	3,501.98	-	-	3,501.98
9/01/2013	3,501.98	-	-	3,501.98
12/01/2013	3,501.98	-	-	3,501.98
3/01/2014	3,501.98	-	-	3,501.98
6/01/2014	3,501.98	-	-	3,501.98
9/01/2014	3,501.98	-	-	3,501.98
12/01/2014	3,501.98	-	-	3,501.98
3/01/2015	3,501.98	-	-	3,501.98
6/01/2015	3,501.98	-	-	3,501.98
9/01/2015	3,501.98	-	-	3,501.98
12/01/2015	3,501.98	-	-	3,501.98
3/01/2016	3,501.98	-	-	3,501.98
6/01/2016	3,501.98	-	-	3,501.98
9/01/2016	3,501.98	-	-	3,501.98
12/01/2016	3,501.98	-	-	3,501.98
3/01/2017	3,501.98	-	-	3,501.98
6/01/2017	3,501.98	-	-	3,501.98
9/01/2017	3,501.98	-	-	3,501.98
12/01/2017	3,501.98	-	-	3,501.98
3/01/2018	3,501.98	-	-	3,501.98
TOTAL	280,159.00	-	-	280,159.00

* Plus one-percent annual administrative fee paid quarterly in the amount of \$354.58. The total administrative fee over the life of the loan is \$28,366.40.

YIELD STATISTICS

Accrued Interest from 03/01/1998 to 03/01/1998...	-
Average Life.....	10.125 YEARS
Bond Years.....	2,836.61
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	1.0012500%
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	1.0012500%

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:

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

BANK ONE CENTER

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

SEVENTH FLOOR, BANK ONE CENTER
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1816
MORGANTOWN, W. VA. 26507-1816
(304) 598-8000
FACSIMILE (304) 598-8118

128 EAST BURKE STREET
P. O. BOX 2829
MARTINSBURG, W. VA. 25401-5429
(304) 263-8991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414-0100
(304) 725-1414
FACSIMILE (304) 725-1913

THE BRYAN CENTRE
P. O. BOX 570
82 WEST WASHINGTON STREET, FOURTH FLOOR
HAGERSTOWN, MARYLAND 21740-0570
(301) 739-8600
FACSIMILE (301) 739-8742

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

THE PMC BUILDING, SUITE 101
P. O. BOX 628
417 GRAND PARK DRIVE
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

February 11, 1997

**Hamrick Public Service District
Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)**

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

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 and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$280,159 Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 20, 1996, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Division of Environmental Protection (the "DEP") and the West Virginia Water Development Authority (the "Authority") 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, 1998, and ending March 1, 2018, all as set forth in "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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on February 10, 1997, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 10, 1997 (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 organized and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with corporate power and authority to acquire and construct the Project, to operate and maintain the System 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 DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.
3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. 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, 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 is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement, the Bond Legislation and the liens and pledges 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 in appropriate cases.

West Virginia Water Development
Authority, et al.
Page 3

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

01/08/97
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NICHOLS & NICHOLS

ATTORNEYS AT LAW

P. O. BOX 201

PARSONS, WEST VIRGINIA 26287

J. PAT NICHOLS
PAT A NICHOLS

TELEPHONE
(304) 478-2127

FAX
(304) 478-2128

February 11, 1997

HAMRICK PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM)

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

West Virginia Division of Environmental
Protection
617 Broad Street
Charleston, WV 25301

Steptoe & Johnson
P.O. Box 2190
Clarksburg, WV 26301

Ladies and Gentlemen:

We are counsel to Hamrick Public Service District, a public service district in Tucker County, West Virginia (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated December 20, 1996, including all schedules and exhibits attached hereto (the "Loan Agreement"), by and among the West Virginia Division of Environmental Protection (the "DEP"), the West Virginia Water Development Authority (the "Authority") and the Issuer, the Bond Resolution duly adopted by the Issuer on February 10, 1997, the Supplemental Resolution duly adopted by the Issuer on February 10, 1997 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds") and orders of The County Commission of Tucker County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer is duly created, organized and validly existing as a public service district and as a public corporation

and political subdivision of the State of West Virginia.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the DEP and the Authority, constitutes a valid and binding agreement of the Issuer 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

6. The Issuer has received, or there have been entered, 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, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Tucker County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and the Issuer 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 May 30, 1996, in Case No. 94-0751-PSD-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project, approving rates and charges for the services of the System, and consenting to the issuance of the Bonds and the financing for the Project.

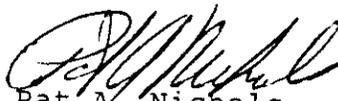
The time for the appeal of such Final Order has expired prior to the date hereof without any appeal.

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

8. To the best of our 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 Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefore.

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

Very truly yours,


Pat A. Nichols

PAN:cw



HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. PSC ORDER
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING
15. PRIVATE USE OF FACILITIES
16. NO FEDERAL GUARANTY
17. SPECIMEN BONDS
18. CONFLICT OF INTEREST
19. CLEAN WATER ACT
20. GRANTS

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 ATTORNEY for the Issuer, hereby certify in connection with the \$280,159 Hamrick Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program) (the "Bonds" or the "Series 1997 A Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted February 10, 1997, and a Supplemental Resolution of the Issuer duly adopted February 10, 1997 (collectively, the "Bond Legislation"), when used herein.

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the

System, the receipt of the Net Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, or the collection of the Net Revenues or pledge thereof.

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 Official 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 and execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into among the Issuer, the Authority and the DEP. The Issuer will provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are no outstanding obligations of the Issuer which will rank prior to or on a parity with or junior and subordinate to the Series 1997 A Bonds as to liens, pledge and source of and security for payment.

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, altered, 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

Certified Copies of County Commission Orders on Creation of District, Consents of the Towns of Hendricks and Hambleton and Affidavit of Publication

Certified Copies of County Commission Orders Appointing Current Boardmembers

Certified Copies of 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

NPDES Permit

Evidence of SCBG Grant

Sewage Treatment Agreement with City of Parsons

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 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>
Robert Summerfield	January, 1996	December, 2001
Betty VanMeter Michael	October, 1995	December, 1999
James Suesli	January, 1992	December, 1997

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 1997 are as follows:

Chairman - Robert Summerfield
Secretary-Treasurer - June Ann Carr

The duly appointed and acting counsel to Issuer is Nichols & Nichols of 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 operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

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

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

11. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 30, 1996, in Case No. 94-0751-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the rates and charges for the services of the System and approving and consenting to the issuance of the Bonds and the financing for the Project, 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.

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

13. **BOND PROCEEDS:** On the date hereof, the Issuer received \$99,418 from the DEP and the Authority, being a portion of the principal amount of the Bonds and more than a de minimis amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. **PUBLICATION OF NOTICE OF BORROWING AND PSC FILING:** The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, the issuance of the Bonds and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the Official West Virginia Code of 1931, as amended.

15. **PRIVATE USE OF FACILITIES:** The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment

of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and are to be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended (including any amendments and successor provisions and the rules and regulations thereunder, the "Code").

16. **NO FEDERAL GUARANTY:** The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

17. **SPECIMEN BONDS:** Delivered concurrently herewith is a true and accurate specimen of the Bond.

18. **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.

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

20. **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 \$750,000 is committed and in full force and effect.

WITNESS our signatures and the official seal of HAMRICK PUBLIC SERVICE DISTRICT on this 11th day of February, 1997.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Robert C. Sumpter
James Ann Carr
Pat A. Nichols

Chairman

Secretary

Counsel to Issuer

01/28/97
HMKJM.H3
373420/95001



HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE

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 \$280,159 Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), of the Issuer, dated February 11, 1997 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). 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 am 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 February 10, 1997 (the "Bond Resolution").
2. This certificate may be relied upon as the certificate of the Issuer.
3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.
4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on February 11, 1997, the date on which the Bonds are to be physically delivered in exchange for an initial advance of \$99,418, being more than a de minimis amount of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.
5. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest, if any, on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has,

therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code.

6. The Bonds were sold on February 11, 1997, to the West Virginia Water Development Authority (the "Authority") pursuant to a loan agreement dated December 20, 1996, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, for an aggregate purchase price of \$280,159 (100% of par). No accrued interest has been or will be paid on the Bonds.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying costs of issuance of the Bonds.

8. Not later than 1 day following the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of \$100,000 on the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project will commence immediately and will 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 October, 1997, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by October, 1997.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$1,030,159. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Bonds	\$ 280,159
SCBG Proceeds	<u>750,000</u>
Total Sources	<u>\$1,030,159</u>

USES

Acquisition and Construction of Project	\$1,009,151
Capitalized Interest on the Bonds	-0-
Funded Reserve for the Bonds	14,008
Costs of Issuance	<u>7,000</u>
Total Uses	<u>\$1,030,159</u>

The amount of the costs of the Project not expected to be paid from grant proceeds stated above is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds and the grant stated above, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Bond Construction Trust Fund;
- (4) Series 1997 A Bonds Sinking Fund; and
- (5) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account.

11. 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 1997 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during construction of the Project and for a period not to exceed six months following completion thereof.

(2) Bond proceeds in the amount of \$14,008 will be deposited in the Series 1997 A Bonds Reserve Account.

(3) The balance of the proceeds of the Bonds as advanced to the Issuer will be deposited in the Bond Construction Trust Fund and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs, and for no other purpose.

Amounts in the Bond Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treas. Reg. §1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 1997 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds, and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the Bond Construction Trust Fund, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

13. Except for the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Bonds, and because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly

securities, obligations, annuity contracts, investment-type property or 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 desegregation plan or other investment property producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. Less than 10% of the proceeds of the Bonds, if any, will be deposited in the Series 1997 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1997 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest, if any, on the Bonds, and will not exceed 125% of average annual principal of and interest, if any, on the Bonds. Amounts in the Series 1997 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1997 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

14. The Issuer expects to enter into a contract within one day of the date hereof, or has already entered into such a contract, for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or \$100,000.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction is expected to be completed within 9 months.

16. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

17. With the exception of the amount deposited in the Series 1997 A Bonds Sinking Fund for payment of interest on the Bonds, if any, and amounts deposited in the Series 1997 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 9 months from the date of issuance thereof.

18. The Series 1997 A Bonds Sinking Fund (other than the Series 1997 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 1997 A Bonds Sinking Fund (other than the Series 1997 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 1997 A Bonds Sinking Fund (other than the Series 1997 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 1997 A Bonds Sinking Fund for payment of the principal of or interest, if any, on the Bonds (other than the Series 1997 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 1997 A Bonds Sinking

Fund (other than the Series 1997 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

19. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

20. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

21. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of Bonds or \$5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

22. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issues, except to the extent any such proceeds are required for rebate to the United States.

23. 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.

24. 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 treatment afforded by Section 103(a) of the Code by reason of 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 the Treasury Regulations promulgated or to be promulgated thereunder in order to assure that the interest, if any, on the Bonds is excluded from gross income for federal income tax purposes.

25. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

26. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes.

27. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion

of interest, if any, on the Bonds from the gross income for federal income tax purposes of interest on the Bonds.

28. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in the Code.

29. The Issuer has either (a) funded the Series 1997 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 1997 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 1997 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 1997 A Bonds Reserve Account and the Series 1997 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

30. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

31. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

32. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest, if any, thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and has covenanted to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolution authorizing issuance of the Bonds.

33. The Bonds are a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

34. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bond determined by assuming the Bond is retired on the date that when used in computing the yield on the Bond produces the lowest yield.

35. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

36. 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.

37. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such issue was issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

38. The transaction contemplated herein does not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

39. On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

40. 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.

41. Steptoe & Johnson is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering any opinion regarding the tax-exempt status of interest, if any, on the Bonds.

42. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

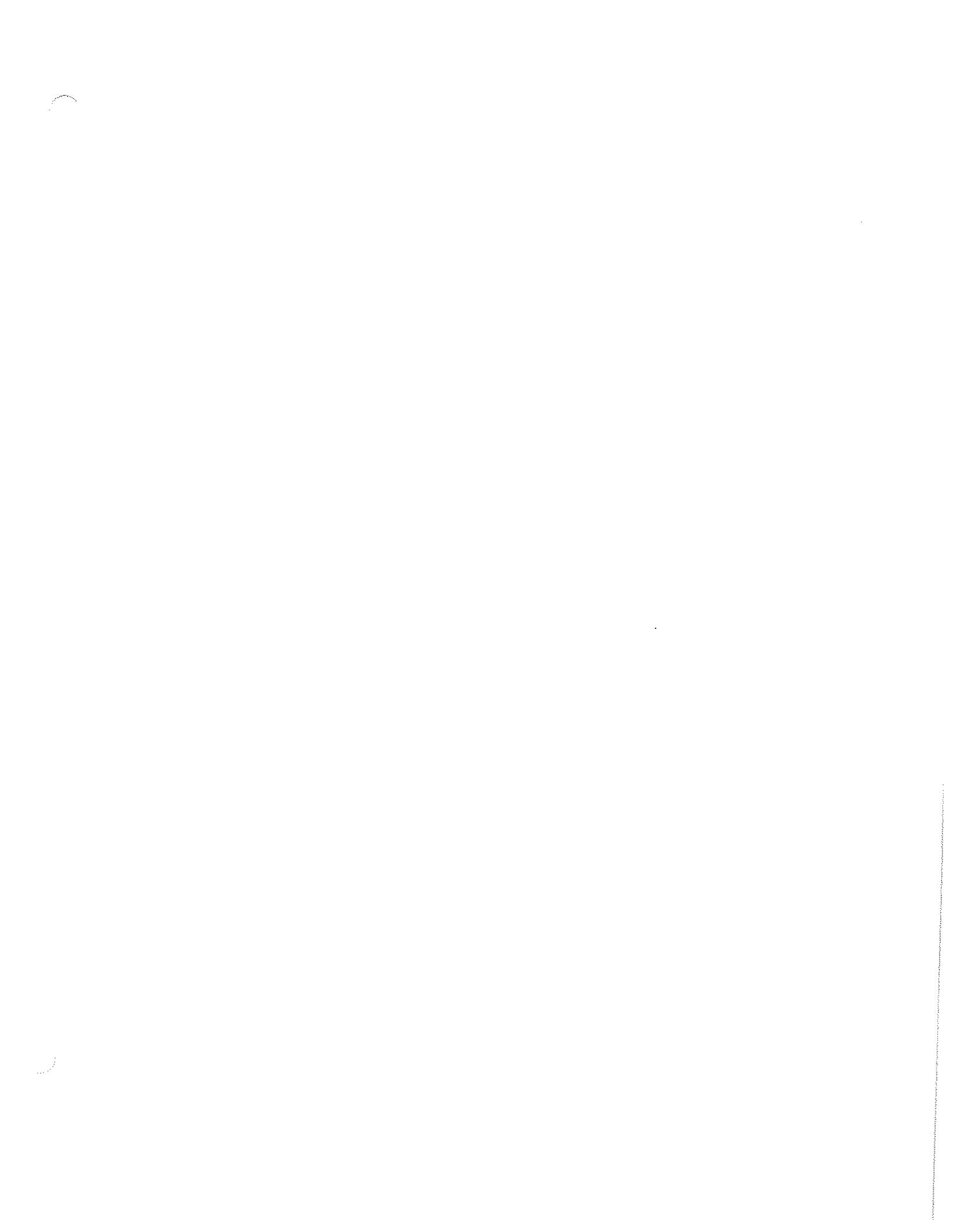
WITNESS my signature on this 11th day of February, 1997.

HAMRICK PUBLIC SERVICE DISTRICT

Robert C. Sumner

Chairman

02/03/97
HMKJM.13
373420/95001



HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

ENGINEER'S CERTIFICATE

I, Thomas J. Blair, III, Registered Professional Engineer, West Virginia License No. 003743, of Kelley Gidley Blair & Wolfe, Inc., Consulting Engineers, in Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of public sewerage facilities (the "Project") of Hamrick Public Service District (the "Issuer") to be constructed primarily 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. All capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on February 10, 1997, and the Loan Agreement, dated December 20, 1996, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP").

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

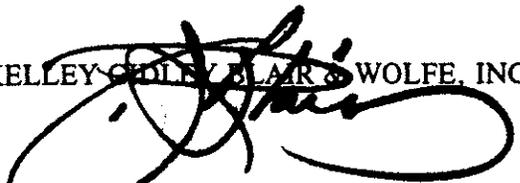
3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (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 described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) 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, (v) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) 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 as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 11th day of February, 1997.

[SEAL]



KELLEY CHOLEY BLAIR & WOLFE, INC.



Thomas J. Blair, III, P.E.
West Virginia License No. 003743

01/08/97
HMKJM.J2
373420/95001

SCHEDULE A (Revision - 4)

NAME OF GOVERNMENTAL AGENCY: _____

ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1. Construction	\$ 625,835.00	
2. Technical Services	\$ 185,422.00	
3. Legal and Fiscal	\$ 10,000.00	
4. Administrative	\$ 31,000.00	
5. Site and Other Lands	\$ 5,000.00	
6. Fac Plan / Design or Other Loan Repayment (Specify Type: _____)	\$ 0.00	
7. Interim Financing Costs	\$ 5,135.00	
8. Contingency	\$ 146,759.00	
9. Total of Lines 1 Through 8		\$ 1,009,151.00

B. Sources of Funds

10. Federal Grants: ¹ _____	\$ _____	
(Specify Sources) _____	\$ _____	
11. State Grants: ¹ _____	\$ 750,000.00	
(Specify Sources) SCBG _____	\$ _____	
12. Other Grants: ¹ _____	\$ _____	
(Specify Sources) _____	\$ _____	
13. Any Other Source ² _____	\$ _____	
(Specify) _____	\$ _____	
14. Total of Lines 10 Through 13		\$ 750,000.00
15. Net Proceeds Required from Bond Issue (Line 9 Less than 14)		\$ 259,151.00

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	\$ 0.00	
17. Funded Reserve Account: ³	\$ 14,008.00	
18. Other Costs: ⁴ Bond Council	\$ 7,000.00	
	\$ _____	
19. Total Cost of Financing (lines 16 through 18)		\$ 21,008.00
20. Size of Bond Issue (Line 15 plus Line 19) * not allowable for State Revolving Fund Assistance		\$ 280,159.00

SIGNATURE OF APPLICANT

SIGNATURE OF CONSULTING ENGINEER

DATE: _____

DATE: _____

Jeffrey S. Feamster
Certified Public Accountant
P.O. Box 121
Lewisburg, West Virginia 24901
304-647-5980

February 11, 1997

Hamrick Public Service District
Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

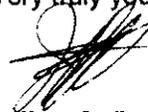
West Virginia Water
Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25065

West Virginia Division of
Environmental Protection
817 Broad Street
Charleston, West Virginia 25301

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the Final Order of the Public Service Commission of West Virginia, Case No. 94-0751-PSD-ON, entered May 30, 1996, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Kelley, Gidley, Blair & Wolf, Inc., Consulting Engineers, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of Hamrick Public Service District (the "Issuer"), will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof.

Very truly yours,



Jeffrey S. Feamster

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.

Nina B. Buchanan, Clerk

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	Berneice 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. VanMeter	" "	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 Hambleton 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 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 #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 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)
 Commissioners
 Ernest A. Colabrese)

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, and 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. y Simmons, Mr. A. Victor Beckman, Rosa Mullenax, Harry Bright, Mr. & Mrs. John Syrian and Rev. Carl

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:

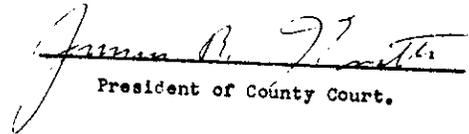
Larry Mayfield, 2 year term.

Kermit Collett, 4 year term

Ross Mateer, 6 year term

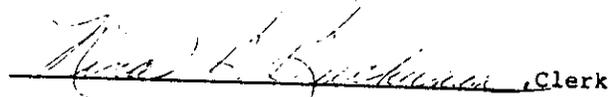
All terms beginning as of January 15th, 1969. Eva E. Cross made a motion that these men be appointed to serve as the Public Service District, the motion was seconded by Ernest A. Colabrese. Included in the motion also was the District will be set up and named the HAMRICK PUBLIC SERVICE COMMISSION.

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.

CERTIFICATE OF PUBLICATION

I, Ken McClain, publisher

Parsons Advocate

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

XXXXXXXXXX

XXXX

has been published for 2 consecutive weeks in said newspaper, beginning with the issue

Dec. 19, 1968 and ending with the issue of Dec. 24, 1968.

Given under my hand this 28th day

December 1968

Ken McClain, Publisher

Publication fee \$ 18.24

STATE OF WEST VIRGINIA,

COUNTY OF Tucker, to-wit:

Ken McClain, publisher of

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

28th day of December 1968

Annie Jean Hood, Notary Public.

My commission expires Nov 15, 1970

SMALL PRINTING COMPANY

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

1000

...

Re: Town of

...

At a regular meeting of the town council of Herblaten, U.V. held on 10/20/77 a motion was made, seconded and passed that the town of Herblaten, county of Tucker, West Virginia, be included in the Herlick Public Service District, with reference to water and Sewerage facilities.

Sincerely Yours

Samuel ...

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,

Bobby Williams

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 Harrick 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 rights 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 Hambleton, a municipal corporation

[Signature]

It's Officer

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 Hambleton, 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.

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JANUARY 22, 1992

TUCKER COUNTY COMMISSION
County Clerk's Office
REGULAR SESSION:

THE TUCKER COUNTY COMMISSION, met in REGULAR SESSION, on Wednesday, January 22, 1992, at 9:00 A.M. ATTENDING: Junior R. Knotts, President; Dewey Rice, Jerry DiBacco, Commissioners, Nina B. Buchanan, County Clerk and Jana Kinkaid, Reporter.

The meeting was called to order by President Knotts and opened with Prayer.

Sam Eichelberger, spoke to the Commissioners, as a concerned citizen in Tucker County. He is so concerned that so many of our people in Tucker County, have to work at two and three jobs in order to put food on their table and pay their bills. He spoke of his interest in the County, and the people who live here, our young people staying in the County to make their living. He said, he himself worked at three jobs, worked on the Planning Commission, interested in family and the citizens of this County. He ask "What now? Have you done? Are you going out seeking employment for Tucker County? I'm here to help, he said, What are you going to do? The County Commission needs to take the lead. Sam gave his views on tourism-related work in the County, these are seasonal jobs, sometimes six months a year and they only pay minimum wage with no benefits, this is not right, and our people deserve something better. Sam said, I'll be back later for an answer to some of my questions.

A Committee hearing for ROY HARDT, Incompetent, was heard with Matthew Fair, leading the hearing and explaining to the Commission, (WHY) it was needed. Attending; Mary Jane Brown, Social Worker for Nellie's Rest Home in Elkins, where Mr. Roy Hardy is a patient. Mike Mullens, Guardian ad litem, Edward Hardy and his wife. Nina B. Buchanan, County Clerk, gave the Oath to Mary Jane Brown and Edward Hardy, who both testified to Mr. Roy Hardy's condition. Matthew Fair, presented the Doctor's Report on Roy Hardy's condition and health. Both testified that Roy Hardy could not take care of himself or his business. Matthew Fair, ask if the County Commission was in position to pay Mr. Mullins a fee of \$75.00. After hearing all testimony -and by motion of Jerry DiBacco and a second by Dewey Rice, Edward Hardy was appointed as Committee for his father Roy Hardy, Incompetent.

June Ann Carr, appeared with a letter from the Hamrick Public Service District, with the recommendation for the County Commission, to appoint Jim Suesli, to serve as a member on this Board. By motion of Dewey Rice and a second by Jerry DiBacco, Jim Suesli, was appointed to serve on the Hamrick Public Service District.

Dorothy Thompson, came as an Interested Person, and sat in on the rest of the Commission Meeting. She ask some questions about Canaan valley and the Wildlife Refuge. Jerry DiBacco, read a REFERENDUM to the other Commissioners, asking for the Wildlife Refuge to be put on the Ballot, so the people in Tucker County could make their feelings known. I FAVOR A WILDLIFE REFUGE in Canaan Valley or I DO NOT FAVOR A WILDLIFE REFUGE, in Canaan Valley, Jerry, said that for years the people of Tucker County have had little input as to the futher of the COUNTY. By putting this on the BALLOT and allowing people to VOTE on this would change things or at least the people would get a chance to voice their opinion. Jerry and John Wilson, both said the City had not started their petition as yet, they are waiting to see if this is going to be put on the Ballot. Commissioner Rice and Commissioner Knotts, both stated they did not favor this REFERENDUM on the Ballot. Jerry made a motion to put this on the Ballot, but, it failed for the lack of a second. Dorothy Thompson, said she does not believe \$200,000 or \$300,000 is enough money for the County in lieu of taxes. "We shouldn't take less than a MILLION, she said", because of, what we would loose from the POWER PROJECT.

After much discussion and upon recommendation all agreed to hire Joseph Gilmore as Bookkeeper/Administrator for Tucker County, by motion of Dewey Rice and a second from Jerry DiBacco. Motion carried. Joseph, will start work in a few days.

Jerry DiBacco, reported that he had spoken with a Veterinarian, about training Mr. Frymyer, Dog Catcher, to give euthanasia injections. This would take a written approval from the STATE. Does not know what the cost would be, as yet? He also said the Veterinarian has insisted that animals to be euthanized must first be sedated. All agreed this was a good idea.

By motion of Jerry DiBacco and a second by Dewey Rice, the minutes was approved, as written and presented.

All bills presented for payment, was approved by motion of Dewey Rice and a second by Jerry DiBacco, and allowed payable from the proper funds.

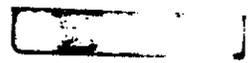
There being no more appointments or business to come before the Commission, this 22nd day of January, 1992, and by motion of Dewey Rice and a second by Jerry DiBacco, the Commission Meeting adjourned.

President

I, Nina B. Buchanan, Clerk of the County Commission of Tucker County, West Virginia, do certify that this is a true and correct copy of the Nov. 22, 1992 as recorded in Order Book No. 18 page 272 1/2.

Given under my hand and the seal of said Commission this the 24th day of Feb, 1994.

Nina B. Buchanan, Clerk



TUCKER COUNTY COMMISSION

OCTOBER 11, 1995

REGULAR SESSION:
9:00 A.M.

The TUCKER COUNTY COMMISSION, met in REGULAR SESSION, Wednesday morning at 9:00 A.M. October 11, 1995, in the Commissioners room. Attending: President Jerome "Jerry" DiBacco, Commissioners Arlie Davis and Sam Eichelberger, Nina Buchanan, County Clerk, Tom Tuesing, Administrator, Mariwyn Smith, Reporter. Guests: Bob Jones, Larry Campbell, Betty VanMeter Michael, June Ann Carr, Virginia "skip" Wamsley, Sandy Hinkle, Mark Fiorini and Ralph Moore, Tucker County Development Authority, James Carr, Mayor of Hendricks, Cricket Leary, with Hospice.

The meeting was called to order by President DiBacco, he extended a Welcome to all that was there, Nina Buchanan, gave the opening prayer.

The First Order of business was the approval of the minutes of September 27, 1995, by motion of Arlie Davis and a second by Sam Eichelberger. With one paragraph revised.

The Commissioners all talked to Betty VanMeter Michael, about serving on the HPSD, the unexpired term of Robert Gutshall, who resigned. After some discussion and questions, and by motion of Arlie Davis and a second by Sam Eichelberger, Betty Michael was appointed to fill the un-expired term of Robert Gutshall on the HPSD until 12/31/1999. She was recommended by the HPSD to serve.

Larry Campbell, representing the West Virginia Department of Agriculture, explained the seriousness of the Gypsy Moth Problems. He presented several things to think about. Where is the Gypsy Moth Infestation Currently? What is the Gypsy Moth Cooperative Suppression Program? How do I know if my land has Gypsy Moth problem and I need to participate? How can I sign up? How much will it cost? What about Public Lands, etc? Larry explained that the State would do the billing for the cost of the spraying but ask if the County Commission would collect the funds? Our farmers and others who participate have been sending their money to Charleston. Larry explained that other counties do the collecting of this money and this is the way the program is supposed to be handled. After his explanation and by motion of Arlie Davis and a second by Sam Eichelberger, the county will collect these funds. All favored.

Mark Fiorini and Ralph Moore, representing the Tucker County Development Authority. Mark, explained some of the things they have done since they re-organized, in the last year. He said there is a Grant of \$25,000 available from the Tygrat Valley Authority, that we qualify for, but we need matching monies. Ask permission to apply directly to the State for funds. They will do all paper work, if they qualify. Mark said, as far as a Certificate of Need, we do qualify for these. Reported that they now have the Deed for the Industrial Park. We hope to induce industry, come to Tucker County. We are involving fund said Mark,

so we can help more people. We now have about 20 people on our Board. Mark, said a verbal commitment would be nice, for matching funds. We will gather more information and come to the next County Commission Meeting, October 25th at 6:00 P.M.

James Carr, Mayor of Hendricks, Sandy Hinkle and Virginia Wamsley, appeared and said they had a DOG PROBLEM in Hendricks, and needed help. People turn their dogs loose in the evening and they run everywhere. This is a problem all over our County. Something has to be done.

At this time President DiBacco entertained a motion for the second reading of the Dog Ordinance. by motion of Sam Eichelberger and a second by Arlie Davis, this second reading of the Dog Ordinance was approved.

Cricket Leary, was recognized by the Commission, she appeared in behalf of Hospice, who serves Tucker County. She ask the County Commission to prepare a Proclamation, and to declare the week of November 13th through the 17th as National Hospice Week. The whole month of November will be celebrating National Hospice Month. The Commission responded favorably and thanked Cricket for coming.

President DiBacco, said "What are we going to do about our TV CABLE" ? We need to contact "Mont" again about this problem. We need to talk to him today.

Under old business it was reported that there was no response from the STATE about SCHOOL SIGNS at the new SCHOOL.? Roads and the walk way ?

The Commissioners discussed the money received from the Federal Government in Lieu of Taxes for Federal owned Entitlement Land. We have been cut ? It was supposed to increase ? Last year we received \$76,030.00 and this year we received \$ 72,945.00. Tucker County should have received \$94,276.89 ?? All payments were prorated at .773727720% this is for 101,373 acres.

By motion of Arlie Davis and a second by Sam Eichelberger all First and Final Reports for the quarter ending September 30, 1995, was approved.

By motion of Sam Eichelberger and a second by Arlie Davis, the Commissioners will write and join the Monongahela National Forest Region Association. All favored.

The Commission reviewed a letter written to the Mt. Storm Power Plant in behalf of employment, coal, and coal severance. They decided to add another paragraph, before mailing.

Tom Tuesing, presented the Financial Statement for approval, after reviewing all bills there was one added in the amount of \$181.77, for the Law Enforcements Petty Cash Drawer, in the Sheriff's Office. All bills approved for payment with the added one for Sheriff's Office, by motion of Arlie Davis and a second by Sam Eichelberger.

Commissioner Davis, gave Board Meeting , held at 8:30 A.M. rt on the Wage and Hour the number of sick days

All First Final Reports Separates - Quarterly ending Sept. 30, 95 Was approved by Motion of Arlie Davis as ded by Sam

be
accumulated can/added to our Insurance or Retirement as a credit
when we retire. This will be discussed more later/

There being no further business to come before the
Commission on this 11th day of October, 1995, there was a
motion for adjournment by Sam Eichelberger and was seconded by
Arlie Davis.

Nina B. Buchanan, Clerk

Approved: 10-25-95

JANUARY 3, 1996

TUCKER COUNTY COMMISSION

TUCKER COUNTY COMMISSION
Wednesday (Jan. 3, 1996)
9:00 A.M. Regular Session

The TUCKER COUNTY COMMISSION met in their first REGULAR SESSION of the new year on January 3, 1996 in the COMMISSIONERS OFFICE. Attending were Commissioners Jerry DiBacco, Arlie Davis and Sam Eichelberger, County Clerk Nina Buchanan, Allen Loughry, June Ann Carr, Dwaine Kepner, David Roberts, Ralph Moore, Bob Summerfield, Mike Helmick, Vanessa Woodyard.

The first meeting of the year was called to order by Clerk Nina Buchanan, and the opening prayer was given by Commissioner DiBacco.

On a motion by Arlie Davis and a second by Sam Eichelberger, Jerry DiBacco was re-elected president for 1996. The meeting was then turned over to the new president.

On a motion by Arlie Davis and a second by Sam Eichelberger, the minutes of the December 27, 1995 meeting were approved as presented.

Current Hamrick Public Service District board member Robert Summerfield was re-appointed to a six year term which is to end in the year 2001. The motion to reappoint Summerfield was made by Arlie Davis seconded by Jerry DiBacco. The final vote was 2-1, with Sam Eichelberger voting opposition.

Re-appointed to the Tucker County Development Authority were Tom Tuesing and Barb Elza on a motion by Arlie Davis and a second by Sam Eichelberger. Both Tuesing and Elza's terms run until December 31, 1998.

Also by a unanimes vote, Craig Wilfong was re-appointed to the Tucker County Health Board until the year 2000. The motion was by Arlie Davis and seconded by Sam Eichelberger. Motion carried.

George Smith and Geroge Walburn were both re-appointed to the Tucker County Planning Commission on the motion by Arlie Davis and a second by Sam Eichelberger. Both terms will run thru 1998.

On a motion by Eichelberger and a second by Arlie Davis, David Hansford was re-appointed to the County Building Commission until the end of the year 2000.

Both Doug Preble and Kenneth Sturms were appointed to three year terms on the Tucker County Board of Zoning Appeals. The motion was made by Arlie Davis and seconded by Sam Eichelberger.

The resignation of Dearl C. Simmons was accepted with regret from the Tucker County Solid Waste Authority on a motion by Arlie Davis and seconded by Sam Eichelberger.

Ralph L. Moore was elected to fill the unexpired term of Simmons which continues until June 30, 1998. The motion to elect Moore came from motion by Arlie Davis and a second by Sam Eichelberger.

Commissioners were reassigned to various appointments which include, Tucker County Board of Health, Sam Eichelberger; Tucker County Parks and Recreation, Sam Eichelberger; Tucker County Planning Commission, Arlie Davis; Region VII, Sam Eichelberger; Tucker County Development Authority, Sam Eichelberger; Tucker County Airport Authority, Jerry DiBacco; Waste and Hour Board, Arlie Davis; Flood Committee, Arlie Davis; and County Extension Agency, Arlie Davis; Motion to approve the committees was made by Sam Eichelberger and seconded by Arlie Davis.

All First and Final Reports were approved by a motion of Arlie Davis and a second by Sam Eichelberger and they are listed below:

Mary E. Swartz, being the only heir of William E. Swartz, III, deceased, filed a Waiver of First and Final Report. October 18th, 1995.

Donna R. Hayes, Fiduciary Supervisor, having filed with the Clerk in Vacation, the

Handwritten notes on the right margin:
The re-appointments to the Tucker County Board of Health, Tucker County Planning Commission, Tucker County Development Authority, Tucker County Airport Authority, Tucker County Flood Committee, Tucker County Extension Agency, and Tucker County Board of Zoning Appeals were all approved by a motion of Arlie Davis and a second by Sam Eichelberger. The final vote was 2-1, with Sam Eichelberger voting opposition. The minutes of the December 27, 1995 meeting were approved as presented. The motion to reappoint Robert Summerfield was made by Arlie Davis and seconded by Jerry DiBacco. The final vote was 2-1, with Sam Eichelberger voting opposition. The motion to reappoint Craig Wilfong was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to reappoint George Smith and Geroge Walburn was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to reappoint David Hansford was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to reappoint Doug Preble and Kenneth Sturms was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to accept the resignation of Dearl C. Simmons was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to elect Ralph L. Moore was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to reassign the commissioners was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to approve the committees was made by Sam Eichelberger and seconded by Arlie Davis. The motion was carried. The motion to approve the first and final reports was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to approve the waiver of first and final report was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to approve the fiduciary supervisor was made by Arlie Davis and seconded by Sam Eichelberger. The motion was carried. The motion to approve the...
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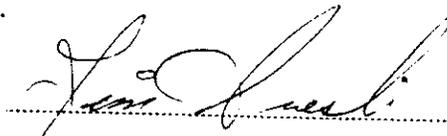
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OATH

State of West Virginia, County of TUCKER SS:

I, Jim 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 of a member of the HAMRICK PUBLIC SERVICE DISTRICT Term being for three years and ending December 31, 1997 to the best of my skill and judgment, so help me God.



Subscribed and sworn to before the undersigned, this the 9th day of March, 1994



Clerk County Commission, Tucker County, W. Va.

CASTO & HARRIS INC., SPENCER, W. VA.

RECEIVED

JUL 27 1995

REGION VII
PLANNING & DEVELOPMENT COUNCIL

OATH

State of West Virginia, County of TUCKER HB: _____

I, BETTY VANMETER MICHAEL, 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 to replace Robert Gutshall whose term expires 12/31/1999

to the best of my skill and judgment, so help me God.

Betty Z. Vanmeter-Michael

Subscribed and sworn to before the undersigned, this the 11th day of October, 1995

Noria B. Buchanan Kyle

Clerk County Commission, Tucker County, W. Va.

OATH

State of West Virginia, County of TUCKER SS:

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 appointment to serve on the Hamrick Public Service District for a term of six years, term beginning January 1, 1996 and ending December 31, 2001, to the best of my skill and judgment, so help me God.

Robert C. Summerfield

Subscribed and sworn to before the undersigned, this the 15th day of February, 1996.

Wanda S. Buchanan

Clerk County Commission, Tucker County, W. Va.



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 the 1st day of July in 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, 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 waived, notice to members by letter or telephone shall be required for regular meetings. Unless otherwise waived, notice in writing of each special meeting of the membership shall be given to all members by the Secretary by mailing the same to the last known post office addresses of the members at least 3 days before the date fixed for such 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, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all special sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

A. A notice shall be posted by the Secretary of the Public Service Board of the Public Service District at the front door of the Tucker County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board of the time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the Public Service Board at the front door to the Tucker County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board at least 48 hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front doors of the

Courthouse and the meeting place as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

HAMRICK PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL SESSION

The Public Service Board of Hamrick Public Service District will meet in special session on _____, at _____ .m., prevailing time, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of the District, in the principal amount of \$ _____, to provide funds for construction of _____ facilities of the District.

2.

Secretary

Date: _____

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, Secretary and 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 the month of January of 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.

3.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. He shall, together with the Secretary, sign the minutes of all meetings at which he shall preside. He shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him by the Board, by these Rules of Procedure, or prescribed by law. He 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. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him 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.

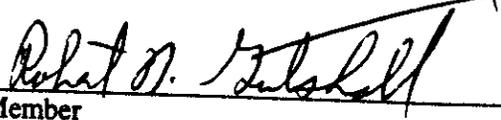
ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

Adopted: April 11, 1994.


Chairman


Member


Member

03/30/94
HAMC.M2
37342/92001



CERTIFICATE OF PUBLICATION

**PUBLIC SERVICE COMMISSION OF
WEST VIRGINIA
Charleston
Case No. 94-0751-PSD-PF
HAMRICK PUBLIC SERVICE
DISTRICT**

Pre-filing application for a Certificate of Convenience and Necessity to construct a sewerage facility...
On August 31, 1994 the Hamrick Public Service District filed a pre-application with the Public Service Commission of WV pursuant to WV Code, Section 16-13a-25 to construct facilities to provide sewage service to the Blackman Heights area of Tucker County and the new Tucker Valley Middle School, and for approval of rates and charges.

The Public Service properties to be constructed include a sewage collection system and force main and other related facilities to transport the sewage to the City of Parsons for treatment. The Hamrick Public Service District estimates that the cost of the project will not exceed \$1.3 million. The Hamrick Public Service District through the Tucker County Commission has received a \$750,000 Small City Block Grant. The District will need to borrow an additional amount not to exceed \$600,000 at a rate not to exceed 3%.

In addition, the District intends to enter into a interim financial arrangement through the Tucker County Commission in an amount not to exceed \$70,000.

The Rates and charges for the sewage service will be as follows:

Sewer rates (Based on water usage): First 2,000 gallons used per month--Not to exceed \$7.15 per 1,000 gallons. All over 2,000 gallons--Not to exceed \$7.15 per 1,000 gallons. Minimum charge Not to exceed \$14.30 per month. Unmetered Charge Not to exceed \$32.18 per month. Connection Charges \$250.00 per connection. Water Disconnect Fee \$20.00, Water Reconnect Fee \$20.00. The average bill for 4,500 gallons of water used per month is not to exceed \$34.00.

The District proposes to file its formal certificate application with the Public Service Commission on or about April 1, 1995. Pursuant to Section 24-2-11, West Virginia Code. Anyone desiring to make objections to this application must do so in writing, within 30 days of this notice, to the Public Service Commission of WV, P.O. 812, Charleston, WV 25323.

If no protests are received within said 30 day period, the Commission may waive formal hearing and grant the application to the Hamrick Public Service District, based on the evidence submitted with said application and its review thereof.

Hamrick Public Service District
Robert Summerfield, Chairman

3-22 3-29c

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 # 94-0751-PSD-PF*

VS.

has been published for *2* consecutive weeks in said newspaper, beginning with the issue of

March 22, 1995

Given under my hand this *29* day of

March, 19*95*
George A. Smith, Publisher

Publication fee \$ *42.70*

8" or 488 words at 8.75 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 *29* day of *March*, 19*95*

Elsie M. Davis, Notary Public

My commission expires *March 19*



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ELSIE M. DAVIS
105 Central Ave.
Parsons, WV 26287



HAMRICK PUBLIC SERVICE DISTRICT
P.O. BOX 10
HAMBLETON, WV 26269

January 13, 1997

The Hamrick Public Service District Board met in a regular session on January 13, 1997, at the Hendricks Office.

Present for the meeting were: Robert C. Summerfield, Chairman; James Suesli and Betty Michael, Commissioners; June Ann Carr, Office Manager; Michael Helmick, Plant Manager and Mark Burns, Class I Operator.

A re-organizational meeting for 1997 was held electing a Chairman and Secretary/Treasurer.

✓ On a motion by James Suesli, Robert C. Summerfield was nominated as Chairman for 1997, seconded by Betty Michael. The nomination for Chairman was closed on a motion by James Suesli and seconded by Betty Michael.

✓ Mrs. Michael moved June Ann Carr be nominated as Secretary/Treasurer for 1997, seconded by Mr. Suesli. Mr. Suesli moved the nomination be closed, seconded by Mrs. Michael.

The minutes of the November and December meetings were approved after corrections.

Mrs. Carr reported a meeting with Steptoe and Johnson will be held in Dunbar at the Water Development Office on February 11, 1997 at 1:00 p.m. The board Chairman and the Secretary/Treasurer need to be present for this meeting. A resolution will be sent before the next board meeting on February 10, 1997, so that it can be passed by the full board and signed before the meeting on the 11th in Dunbar.

Mrs. Carr reported the meeting in Charleston, on January 15, 1997, with Susan Riggs of the WV Infrastructure Council is still scheduled. All board members, June Ann Carr and Pat A. Nichols, are requested to be present. All board members will be reimbursed for mileage and meals.

The Municipal Agreement between the City of Parsons and the District on the Hambleton, Hendricks and Bretz project needs to be signed and taken to Charleston on the 15th.

On a motion by Mr. Suesli, seconded by Mrs. Michael, the Agreement between the City of Parsons and the Hamrick PSD for Hambleton, Hendricks and Bretz Sewage Project was approved by the board.

Mrs. Carr reported a letter was received from the PSC requesting information that the District board complied with WV Code 5G-1-4 in the hiring of an engineer for the water line extension to Leadmine and the water plant upgrade.

Mrs. Carr received a letter from Michael Hawronick Jr., P.E. of the Philippi District Office, Bureau of Public Health, stating the reasons why the plant upgrade is so crucial. Mrs. Carr reported a copy of the letter had been sent to Larry Campbell of the Tucker County Planning Commission and they were requested to move this project up on the priority list in Tucker County.

Mrs. Carr reported she had contacted 17 PSD and counties about their policies on sick leave and/or annual leave. Mr. Summerfield asked Mrs. Carr to put this on a scale and get it to the board members as soon as possible.

The map updating was discussed. The board felt the water and sewage should be on the same map. Mr. Suesli volunteered to ask Thrasher Engineering if they would take care of this.

Mark Burn's certification was discussed. Mrs. Carr reported there were no salary increases in the May 1996 minutes pertaining to passing the Class II water test. After much discussion, Mrs. Michael moved and Mr. Suesli seconded the motion to pay Mark Burns a salary of \$14,500.00 per year from the date of the letter stating he passed his Class II test. All were in favor.

Mr. Summerfield asked that a copy of the average pay rates for water and sewer operators be obtained from the Rural Water Association.

Mr. Helmick asked permission to purchase blue paint and flags to comply with Miss Utility.

It was reported Mr. John Wilson, Mayor of the City of Parsons, requested that the District furnish water so that the city would not be without water in case of another emergency, as they had on Christmas Day. The board agreed that the city needs to have their engineer do an evaluation and prepare a cost proposal of the project.

Mr. Helmick reported the high service pump motor in the #2 pump has gone bad and a new one was purchased. He had to have the pump impeller turned down.

Mr. Helmick also reported the pumps at the intake will not deliver the proper gallons per minute. He received a quote to rebuild. The price on a new pump is \$2,800.00 plus freight. The board felt they need more information before making a decision.

Mr. Helmick reported he had purchased a 5500 BTU heater for \$199.95 for the intake. He received a quote on the wiring of the plant which would cost between \$350.00 and \$400.00 for 2-8 feet baseboard heaters. The board agreed to buy a space heater for now.

Mrs. Carr reported Tom Tuesing of the Tucker County Commission had requested a copy of a Rule 42 be faxed to Kathy Moore. Under guide lines of the Ethic Committee, State of WV, we are not eligible to release this information.

Mrs. Carr reported having problems with the payroll on the computer. It was not correctable without calling in Mr. Copeland of Mountaineer Computer. He worked six hours, plus travel time from Lewisburg, a total of \$1,045.00. Mr. Suesli moved to pay \$1,045.00 to Mountaineer Computer, seconded by Mrs. Michael and all were in favor. A modem for the computer was discussed.

On a motion by Mrs. Michael, seconded by Mr. Suesli, bills 3373-3416 were approved for payment.

On a motion by Mr. Suesli, seconded by Mrs. Michael, the meeting adjourned at 10:15 p.m.

Robert C. Summerfield, Chairman

James Suesli, Commissioner

Betty Michael, Commissioner

1

2

HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

MINUTES ON ADOPTION OF BOND AND NOTES
RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, JUNE ANN CARR, SECRETARY of the Public Service Board of Hamrick Public Service District, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

The Public Service Board of Hamrick Public Service District met in regular session, pursuant to notice duly posted, on the 10th day of February, 1997, in Hambleton, West Virginia, at the hour of 6:30 p.m.

PRESENT: Robert Summerfield - Chairman and Member
Betty Michael - Member
James Suesli - Member
June Ann Carr - Secretary/Treasurer

ABSENT: None.

Robert Summerfield, Chairman, presided, and June Ann Carr, 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 PUBLIC SEWERAGE FACILITIES 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 \$280,159 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF

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

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), OF HAMRICK PUBLIC SERVICE DISTRICT; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

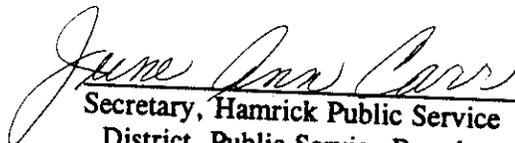
Robert C. Summerfield
Chairman

Jane Ann Carr
Secretary

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 11th day of February, 1997.


Secretary, Hamrick Public Service
District, Public Service Board

01/08/97
HMKJM.L2
373420/95001

812 Quarrier Street
Suite 300
Charleston, WV 25301
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: February 11, 1997

(See Reverse for Instructions)

HAMRICK PUBLIC SERVICE DISTRICT
ISSUE: Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program)
ADDRESS: P. O. Box 10, Hambleton, West Virginia 26269 COUNTY: Tucker
PURPOSE: New Money X
OF ISSUE: Refunding Refunds issue(s) dated: _____
ISSUE DATE: February 11, 1997 CLOSING DATE: February 11, 1997
ISSUE AMOUNT: \$ 280,159 RATE: 0% Administrative Fee: 1%
1st DEBT SERVICE DUE: 6/1/98 1st PRINCIPAL DUE: 6/1/98
1st DEBT SERVICE AMOUNT: \$3,501.99 PAYING AGENT: Municipal Bond Commission

ISSUERS UNDERWRITERS
BOND COUNSEL: Steptoe & Johnson BOND COUNSEL: Jackson & Kelly
Contact Person: Vincent A. Collins, Esq. Contact Person: Samme L. Gee, Esq.
Phone: 624-8161 Phone: 340-1318
CLOSING BANK: Citizens National Bank ESCROW TRUSTEE: _____
Contact Person: Randy Moore Contact Person: _____
Phone: 478-2551 Phone: _____
KNOWLEDGEABLE ISSUER CONTACT OTHER: _____
Contact Person: June Ann Carr Contact Person: _____
Position: Manager Function: _____
Phone: 478-2898 FAX: _____ Phone: _____

DEPOSITS TO MBC AT CLOSE: _____
By Wire X Check X
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ 14,008
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 WV 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 suppliments, 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 close are required, please submit this form before closing. If no significant facts change by closing, no resubmission at close is required. If, however, there are changes, please submit an updated form, with changes noted, at close.

If you should have any questions concerning this form, please call the Commission.

HAMRICK PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

CITIZENS NATIONAL BANK, a national banking association, in Parsons, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Hamrick Public Service District (the "Issuer"), both adopted February 10, 1997 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated February 11, 1997, in the principal amount of \$280,159 (the "Bonds") and agrees to perform all duties of Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 11th day of February, 1997.

CITIZENS NATIONAL BANK


Assistant Vice President

01/28/97
HMKJM.M3
373420/95001

HAMRICK PUBLIC SERVICE DISTRICT

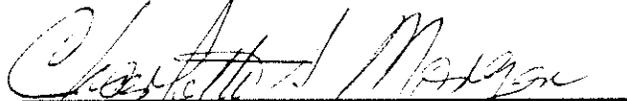
Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES OF REGISTRAR

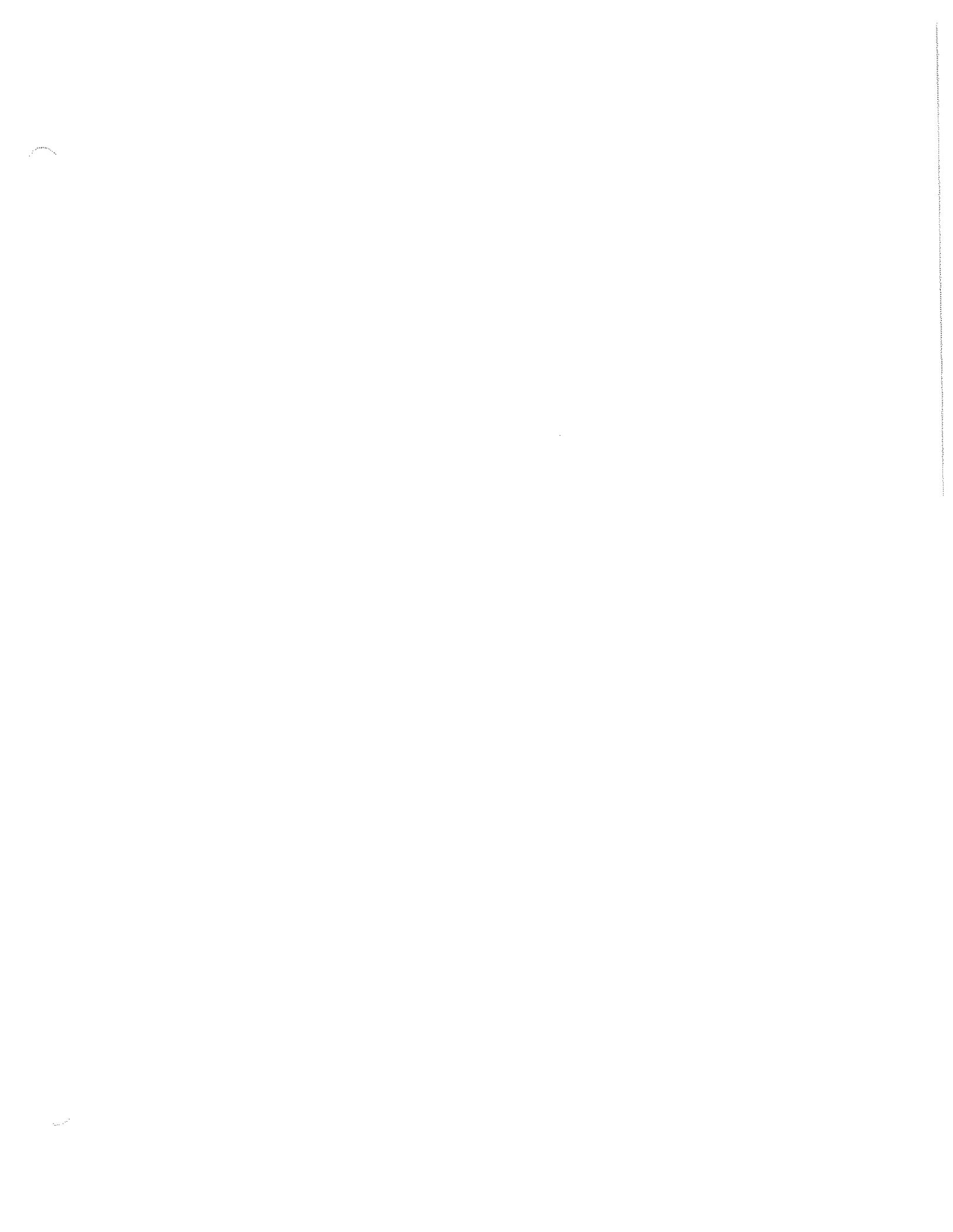
ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Hamrick Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated February 11, 1997, in the principal amount of \$280,159 and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 11th day of February, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION


Assistant Vice President

01/08/97
HMKJM.N2
373420/95001



HAMRICK PUBLIC SERVICE DISTRICT

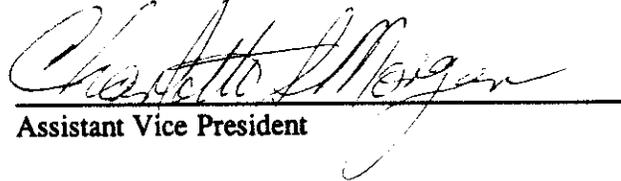
Sewer Revenue Bonds, Series 1997 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, 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 Hamrick Public Service District Sewer Revenue Bond, Series 1997 A (West Virginia SRF Program), of the Issuer, dated February 11, 1997, in the principal amount of \$280,159, designated "Sewer Revenue Bond, Series 1997 A (West Virginia SRF Program)," numbered AR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 11th day of February, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION


Assistant Vice President

01/08/97
HMKJM.02
373420/95001

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 11th day of February, 1997, by and between HAMRICK PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$280,159 Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Resolution adopted February 10, 1997, and a Supplemental Resolution adopted February 10, 1997 (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, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

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:

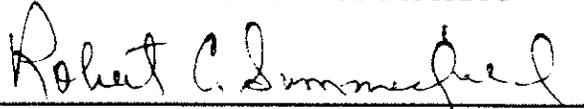
ISSUER: Hamrick Public Service District
P. O. Box 10
Hambleton, West Virginia 26269
Attention: Chairman

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

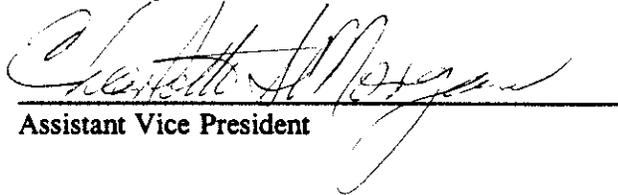
IN WITNESS WHEREOF, HAMRICK PUBLIC SERVICE DISTRICT and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

HAMRICK PUBLIC SERVICE DISTRICT



Chairman

ONE VALLEY BANK, NATIONAL ASSOCIATION



Assistant Vice President

01/08/97
HMKJM.P2
373420/95001

EXHIBIT A

[Included in transcript as Document No. 1]

SCHEDULE OF COMPENSATION

**DIVISION OF ENVIRONMENTAL PROTECTION**

1201 Greenbrier Street
Charleston, WV 25311-1088

GASTON CAPERTON
GOVERNOR

LADLEY ELI McCOY, Ph.D.
DIRECTOR

September 13, 1996

Robert C. Summerfield
Hamrick Public Service District
P. O. Box 10
Hambleton, WV 26269

CERTIFIED RETURN RECEIPT REQUESTED

Dear Mr. Summerfield:

Enclosed find WV/NPDES Water Pollution Control Permit No. WV0105317, dated the 13th day of September 1996, for the Hamrick Public Service District in Parsons, West Virginia.

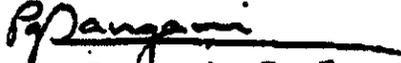
Please note Section G.4, on page 8 of 9, prohibiting the acceptance of new nondomestic wastewater discharges without prior Office approval.

Please, also, note the attachment to this Permit which describes the annual permit fee requirement.

If you have any questions, please contact Robert Bates of this office at 304-558-4086, or by TDD at 304-558-2751.

Very truly yours,

OFFICE OF WATER RESOURCES


Pravin G. Sangani, P. E.
Municipal Branch Leader

PGS:m11

Enclosure



WRD 1A-82
Revised 4/95

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENERIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0105317

Issue Date: September 13, 1996

Subject: Sewage Collection System

Effective Date: October 13, 1996

Expiration Date: September 12, 2001

Supersedes: N/A

Location:	Parsons (City)	Tucker (County)	Cheat River (Drainage Basin)
-----------	-------------------	--------------------	---------------------------------

Outlet	Latitude:	N/A
Sites:	Longitude:	N/A

To whom it may concern:

This is to certify that Hamrick PSD
P.O. Box 10
Hambleton, WV 26269

is hereby granted a NPDES Water Pollution Control Permit to acquire, construct, install, operate, and maintain a sewage collection system consisting of 9,936 linear feet of eight (8) inch gravity PVC sewer line; 1,890 linear feet of six (6) inch gravity PVC sewer line; 2,053 linear feet of four (4) inch force main; 1,570 linear feet of two (2) inch force main; 57 manholes; 3 cleanouts; one (1) 124 gpm duplex lift station; one (1) 27 gpm duplex grinder pump station; and all necessary appurtenances.

The system is designed to serve 280 persons and the Tucker Valley Elementary/Middle School and to convey wastewater to the City of Parson's sewage treatment plant for ultimate treatment and discharge.

This permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0105317 dated the 31st day of March 1996, with additional information submitted on the 7th of June 1996 by the Construction Assistance Branch, along with the approvable plans and specifications submitted to the Construction Assistance Branch on the 1st day of August 1996, is all hereby made terms and conditions of this Permit with like effect as if all such permit application information was set forth herein, and with other conditions set forth in Sections B, C, D, E, F, and G.

(Continued on Page 2)

Page 2 of 9
Permit No. WV0105317

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

**SEWAGE COLLECTION SYSTEM CONSTRUCTED IN ACCORDANCE WITH:
PLANS, SPECIFICATIONS, AND REPORTS:**

Date Approved: August 1, 1996

Prepared by: Kelley, Gidley, Blair, & Wolfe
Charleston, WV 25301

Title: Hamrick PSD
Tucker County, WV
Blackman Heights Sewage Collection System

Page 3 of 9
Permit No. WV0105317

B. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the provisions for waste treatment and the discharge limitations specified in this permit in accordance with the following schedule:

Effective date of permit.

2. Reports of compliance or noncompliance with, and progress reports on the interim and final requirements contained in the above compliance schedule, shall be submitted no later than 14 days following each schedule date.

C. MANAGEMENT CONDITIONS

1. **Duty to Comply**
 - (a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
 - (b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.
2. **Duty to Reapply**
If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.
3. **Duty to Mitigate**
The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.
4. **Permit Actions**
This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit conditions.
5. **Property Rights**
This permit does not convey any property rights of any sort or any exclusive privilege.
6. **Signatory Requirements**
All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.
7. **Transfers**
This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.
8. **Duty to Provide Information**
The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.
9. **Other Information**
Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.
10. **Inspection and Entry**
The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:
 - a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
 - b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
 - c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
 - d) Samples or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.
11. **Permit Modification**
This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22, Article 11, Section 13 of the Code of West Virginia.
12. **Water Quality**
The effluent or effluents covered by this permit are to be of such quality as to not cause violation of applicable water quality standards adopted by the State Water Resources Board.
13. **Outlet Markers**
A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.
14. **Liabilities**
 - a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
 - b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
 - c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
 - d) Nothing in C.14.a), b) and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

D. OPERATION AND MAINTENANCE**1. Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Regulations authorized under Chapter 16, Article 1, Public Health Laws, Code of West Virginia, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass (N/A)**a) Definitions**

- (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and
- (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3.c) and D.3.d) of this permit.

- c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;
- (2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in F.2.b) of this permit.

d) Prohibition of bypass

- (1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for bypass, unless:
 - (A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - (B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
 - (C) The permittee submitted notice as required under D.3.c) of this permit.
- (2) The Chief may approve an anticipated bypass after considering its adverse effects if the Chief determines that it will meet the three conditions listed in D.3.d)(1) of this permit.

4. Upset (N/A)

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of D.4.c) are met. No determinations made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
- (2) The permitted facility was at the time being properly operated;
- (3) The permittee submitted notice of the upset as required in F.2.b) of this permit.
- (4) The permittee complied with any remedial measures required under C.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

F. MONITORING AND REPORTING**1. Representative Sampling**

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

- a) Permittees shall submit each ~~XXXXXXX~~ according to the enclosed format, a Discharge Monitoring Report(DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s). N/A
- b) The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, WV 25311-1058
Attention: Municipal Branch

- c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
- d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "W.S." (i.e., number exceeding).
- e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g., 3/month is equivalent to 3 analyses performed every calendar month.) If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

- a) The date, exact place, and time of sampling or measurement;
- b) The date(s) analyses were performed;
- c) The individual(s) who performed the sampling or measurement;
- d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
- e) The analytical techniques or methods used, and
- f) The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in 8.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three(3) years from the date of the sample, measurement, report or application. This period may be extended by request of the chief at any time.

7. Definitions

- a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
- b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
- c) "Maximum daily discharge limitation" means the highest allowable daily discharge.
- d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.
- e) "Grab Sample" is an individual sample collected in less than 15 minutes.
- f) "1-g" immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
- g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
- h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed (or any two(2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration).
- i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.
- j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
- l) "Noncontact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

F. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee for any responsibilities, liabilities, or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 33, Article 11. Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

- a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five(5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including start dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- b) The following shall also be reported immediately:
 - (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
 - (2) Any upset which exceeds any effluent limitation in the permit; and
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.
- c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.
- d) Compliance with the requirements of F.2. of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

- a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
 - (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Title 47, Series 10, or
 - (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. The notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under F.2. of this section.
- b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- c) In addition to the above reporting requirements, all existing manufacturing, commercial, and agricultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
 - (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) One hundred micrograms per liter (100 ug/l);
 - (B) Two hundred micrograms per liter (200 ug/l) for acrylonitrile and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 ug/l) for antimony;
 - (C) Five(5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Title 47, Series 10;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Title 47, Series 10;
 - (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) Five hundred micrograms per liter (500 ug/l);
 - (B) One milligram per liter (1 ug/l) for antimony;
 - (C) Ten(10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7. of Title 47, Series 10;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Title 47, Series 10;
 - (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Title 47, Series 10 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
 - (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Title 47, Series 10 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in F.2.a).

Page 8 of 9
Permit No. WV0105317

6. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.
2. The entire sewage treatment facility shall be adequately protected by fencing.
3. An instantaneous flow from the sewage collection system shall not exceed the peak design flow at any given time.
4. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Chief of the Office of Water Resources as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.
5. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Chief of such violation or suspected violation.
6. If any existing non-domestic discharge is identified as being subject to a Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Chief of such identification.
7. The submission of the Sediment Control Plan and the OWR letter of approval dated the 23rd day of April 1996, and our acceptance, thereof, as terms and conditions of this Permit, expressly requires your compliance with the approved Sediment Control Plan.

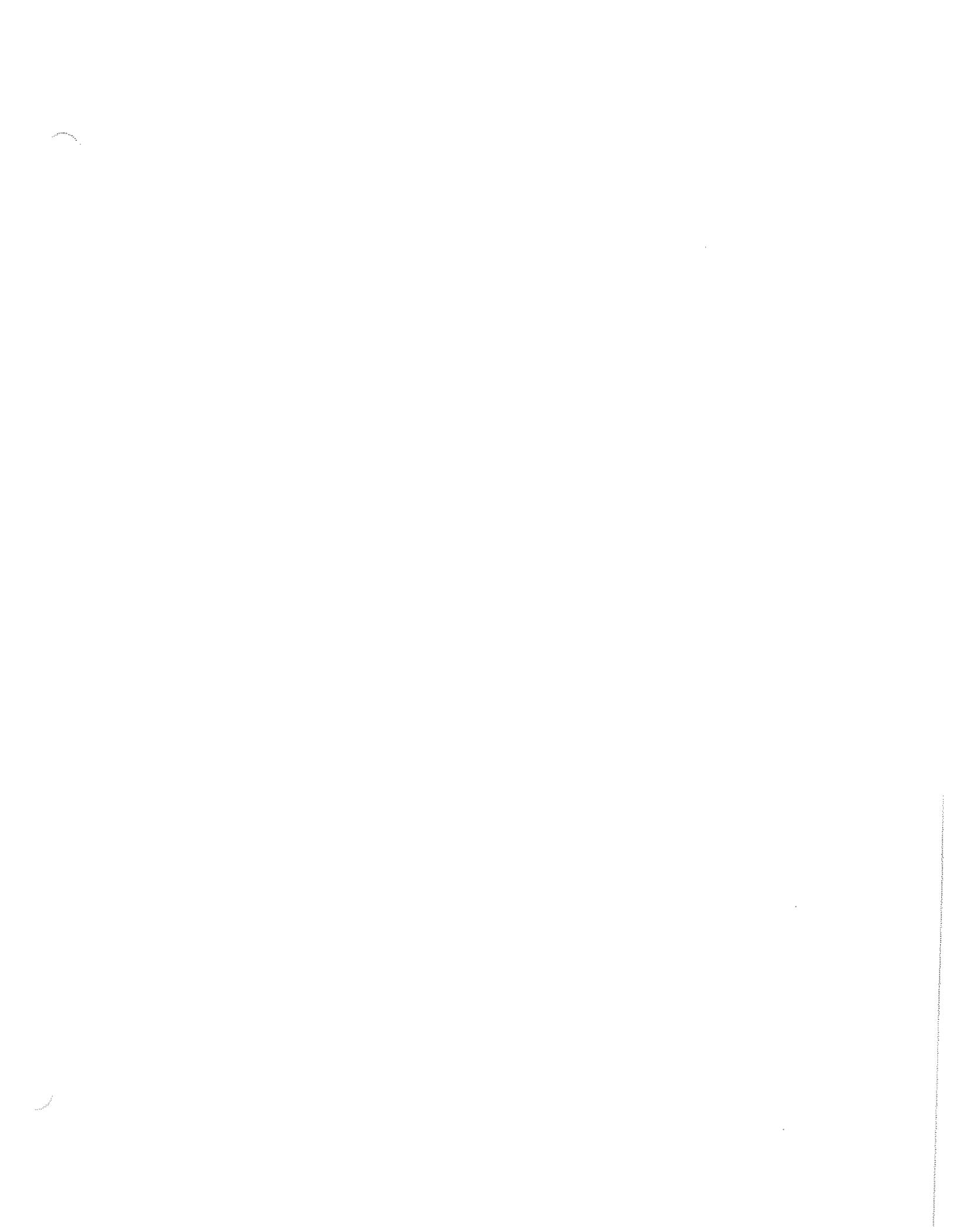
The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit; with the plans and specifications submitted with Permit Application No. WV0105317, dated the 31st day of March, 1996; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0105317, dated the 31st day of March, 1996, and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Chapter 22, Article 11 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Article 11 of the Code of West Virginia and is transferable under the terms of Section 11 of said article.

By: 

Chief





STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

November 18, 1994

GASTON CAPERTON
GOVERNOR

The Honorable Dewey Rice
President
Tucker County Commission
215 First Street
Parsons, West Virginia 26287

Dear Commissioner Rice:

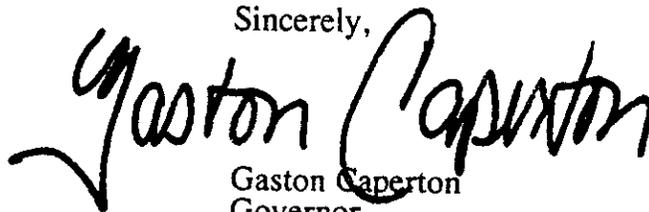
Thank you for your application to the Small Cities Block Grant program for fiscal year 1994.

I am pleased to approve your request in an amount not to exceed \$750,000. These funds will enable you to extend sewage collection service to the Blackman Flats area. The expenditure of these funds will be subject to review and concurrence by the newly established Infrastructure and Jobs Development Council. Please be advised that cost necessary to obtain concurrence from the Infrastructure and Jobs Development Council after this date will be considered allowable project cost.

The West Virginia Development Office, Community Development Division staff, will contact you to complete the necessary contracts in order to proceed with your project.

It is with pleasure that I am able to work with you to make this project a reality.

Sincerely,



Gaston Caperton
Governor

GC:bks

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AGREEMENT

THIS AGREEMENT, made this the 14th day of June, 1996, by and between the City of Parsons, Tucker County, West Virginia, a municipal corporation, hereinafter designated as TOWN and the Hamrick Public Service District, Tucker County, West Virginia, a public corporation, of the State of West Virginia, hereinafter designated as DISTRICT.

WITNESSETH:

WHEREAS, the CITY owns and is responsible for the operation of a sanitary sewer system and wastewater treatment plant. Further, the DISTRICT is currently attempting to construct it's first sanitary sewer system and that such system does not have a wastewater treatment plant.

WHEREAS, the CITY'S wastewater treatment plant and transportation system have an adequate design capacity to handle the DISTRICT and the CITY agrees to reserve an adequate portion of the design capacity for use by the CITY and DISTRICT subject to the terms set forth herein; and

WHEREAS, the DISTRICT desires to connect to the wastewater treatment plant of the CITY and to be provided with secondary treatment of wastewater delivered to the CITY'S wastewater treatment plant by the DISTRICT; and

NOW, THEREFORE, in consideration of the recitals, the parties do hereby agree as follows:

1. The DISTRICT shall design and cause to be constructed, at their sole cost, a sanitary sewer system meeting generally accepted sanitary engineering standards which will

collect and transport sewage from within the boundaries of the DISTRICT to the CITY'S wastewater treatment plant to be connected to the wastewater treatment plant of the CITY in Tucker County, West Virginia, prepared by Kelley, Gidley, Blair & Wolfe Engineers, Inc., the DISTRICT'S consulting engineer. The DISTRICT shall further limit the total amount of flow discharged into the CITY'S wastewater collection system to a maximum flow of 92 gallons per minute not to exceed 50,000 gallons per day. The DISTRICT agrees to hold the TOWN harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys fees and expenses of the CITY causes of action, suits, claims, demands, administrative adjudications, and judgments of any nature arising from the DISTRICT exceeding the 92 gallons per minute and the maximum of 50,000 gallons per day limitation heretofore established. The DISTRICT shall further limit the amount of infiltration and inflow which will be permitted in the DISTRICT'S newly constructed sanitary sewer collection system to zero (0) gallons of inflow and Two Hundred (200) gallons per inch diameter mile of infiltration per day during final inspection and testing of the sanitary sewer collection system.

The DISTRICT shall further attempt to monitor their sewer collection system for any extraneous fluids or substances and to perform regular maintenance to minimize the effect of such introduction of such fluids or substances.

2. The CITY shall receive, treat and dispose of the

wastewater from the DISTRICT, at the CITY'S Wastewater Treatment Plant, in such manner, and according to such standards, as are required of a sanitary sewage treatment facility. The CITY shall maintain responsibility for discharge of treatment wastewater in accordance with State and Federal laws and regulations. The DISTRICT shall be liable for any fines and/or penalty incurred as a result of discharge violations occurring at the CITY'S Wastewater Treatment Plant that are a direct result of the introduction of prohibited materials into the DISTRICT'S collection system. Prohibited materials shall mean any fluids or substances except domestic sewage. It is expressly understood that no septic system dumping or dumping service shall be allowed to utilize the collection system of the DISTRICT. The CITY shall have the right to monitor the DISTRICT'S wastewater by random sampling and analysis for compliance with this provision. The DISTRICT shall adopt a Sewer Use Ordinance in accordance with Federal and State guidelines which sets forth restrictive covenants as it may relate to a sanitary sewer system.

3. The DISTRICT wastewater is to be metered by a flowmeter installed at the point of discharge into the CITY wastewater collection system. The DISTRICT shall be responsible for all costs associated with the installation of the flowmeter and any costs incurred as a result of the operation of the flowmeter and any costs incurred as a result of the operation and maintenance of the flowmeter. The CITY shall have the right to jointly read the DISTRICT flowmeter and the CITY shall have

access to the DISTRICT'S flowmeter upon reasonable notice to the DISTRICT, to inspect and insure accuracy of the measurements of the wastewater flow into the CITY'S wastewater collection system. The rate for treatment of the DISTRICT'S wastewater by the CITY shall be based upon the metered water usage of the customers of the DISTRICT and provided to the CITY by the DISTRICT, without cost, on a monthly basis and it shall be calculated upon a per thousand gallon of metered water usage basis. The rate to the DISTRICT which shall be charged shall be based upon per gallon of metered water usage basis. Said cost of service shall be subject to review and approval by the Public Service Commission of West Virginia. The rate determined by the cost of service will be reflected in the CITY'S tariff on file with the Public Service Commission of West Virginia. In the event the DISTRICT does not bill its customers for sanitary sewage service in a particular month or months, the DISTRICT will pay the CITY a charge equal to the average monthly amount billed by the CITY to the DISTRICT for prior wastewater treatment and disposal service. The rate charged by the CITY to the DISTRICT reflects the total cost of said transportation and treatment on a per thousand gallon of metered water usage basis and includes a pro rata share of the treatment plant, a well as, administration, operation, maintenance and any additional cost of service costs, including any and all legal, engineering and administrative fees incurred by the CITY as a result of this Agreement. All new modifications of the CITY'S

system required to accommodate the DISTRICT must be approved by the West Virginia Department of Commerce, Labor, and Environmental Resources, Division of Environmental Protection.

4. The DISTRICT will obtain adequate insurance and shall keep in force, pay and will protect indemnify and hold the CITY harmless from and against all liabilities, losses, damages, costs and expenses (including attorneys fees and expenses of the DISTRICT), causes of actions, suits, claims, demands and judgments of any nature arising from the negligence of DISTRICT.

(1) any injury to or death of any person or damage to property in or upon the CITY'S property or facilities, or growing out of or connected with the use, non-use, condition or occupancy of the said CITY'S property or facilities or a part thereof; such injuries and/or damage shall include any and all injuries or damage which may occur due to any failure or malfunction of the CITY'S system caused by any flood, hailstorm, windstorm, Act of God, and any and all unprecedented meteorological events; any repairs, construction or alterations or remodeling thereto as performed by the CITY, their authorized agents or servants, excluding the DISTRICT or its agents or servants, or the condition of the CITY'S property or facilities and any equipment or facilities at any time located on the CITY'S property or under the CITY'S control and used in connection therewith;

(2) violation of any agreement, warranty or covenants.

The intent of this paragraph is that neither party will subsidize the other's capital or operation expenses and that all parties shall mutually benefit from this Agreement.

5. The parties hereto shall, upon request, provide the other with an annual audit approved by the West Virginia Public Service Commission and related information as may be required.

6. The parties hereto shall meet on an as needed basis at a specifically designated meeting called for such purpose at a mutually agreed upon time, to be held at the business office of the CITY, to discuss business, rates, communications, complaints, suggestions, and any related matters, between the parties, with at least one meeting per fiscal year to be held not later than thirty (30) days after the parties herein have submitted their annual audit and report to the Public Service Commission of West Virginia.

7. The DISTRICT shall not exceed the limitation of wastewater per day into the CITY'S wastewater treatment plant and collection system as set forth in Paragraph 1 of this Agreement.

8. This Agreement is made by the parties hereto subject to the review and approval of the Public Service Commission of the State of West Virginia and likewise all modifications made to this Agreement and pursuant to its terms shall be subject to the same review and approval.

9. The length and duration of this Agreement, subject

to the provisions hereof, shall begin on the date as first written above, and shall continue from year to year for a minimum term of forty (40) years, or until terminated by mutual agreement of the parties hereto.

10. For treatment services rendered by the CITY to the DISTRICT under this Agreement, the DISTRICT shall, on a monthly basis, make payable to the CITY on or before the 10th day of a calendar month for all amounts billed by the CITY on the 1st day of the next immediately preceding calendar month. If payment is not received by the CITY within the time and in the manner prescribed in the next preceding sentence, a penalty of 10% shall be added to the net amount thereof. The DISTRICT agrees that they will bill all its sewer customers on the first day of each calendar month for sewer services as based on the next immediately preceding water meter reading.

11. In the event the DISTRICT fails to perform any other term, obligation, or condition of this Agreement, the result of which is likely to cause irreparable harm or injury to the CITY'S facilities or otherwise constitutes an emergency situation and the DISTRICT fail to correct such condition or default within fifteen (15) days, unless a shorter time is deemed necessary by the CITY, after written notice by CITY specifying such default, then the CITY shall have the right to undertake such corrective action and the DISTRICT shall be responsible for all costs and expenses incurred by the CITY or shall reimburse the CITY for such costs and expenses. In the event

the DISTRICT fails to make any payment due hereunder and remains in default for a period of ten (10) days after the due date, or in the event that the DISTRICT fails to perform any other term, obligation, or condition of this Agreement, and fails to correct such other default or to commence correction of such default if corrections shall require more than twenty (20) days, the CITY shall have the right to require specific performance by the DISTRICT or the right to seek damages against the DISTRICT through the institution of a civil action against the DISTRICT in a Court of competent jurisdiction. If the parties named herein bring an action or proceeding to enforce the terms herein or declaring the rights hereunder, the prevailing party in any such action or proceeding shall be entitled to reasonable attorney's fees and costs to be paid by the losing party as determined by said Court of competent jurisdiction.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement by their appropriate officers as of the day and year first above written.

ATTEST:

CITY OF PARSONS, TUCKER COUNTY,
WEST VIRGINIA, a municipal
corporation

Catherine K. Simmons

By Mary G. Moore
Its Mayor

ATTEST:

HAMRICK PUBLIC SERVICE DISTRICT,
a public utility

James Allen Carr

By Robert C. S. Fields
Its Chairman