

**MONUMENTAL PUBLIC SERVICE DISTRICT**

**Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)**

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# **MONUMENTAL PUBLIC SERVICE DISTRICT**

## **Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)**

### **BOND RESOLUTION**

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## MONUMENTAL PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF MONUMENTAL PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$682,300 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED AND ORDERED BY THE MONUMENTAL PUBLIC SERVICE DISTRICT:

### ARTICLE I

#### STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01.      Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Monumental Public Service District (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Marion and Monongalia Counties of said State, duly created pursuant to the Act by the County Commissions of Marion and Monongalia Counties.

Section 1.02.      Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public waterworks system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of additions, improvements and extensions to such existing waterworks facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of the installation of 8,280 linear feet of 4-inch pipe, 13,200 linear feet of 3-inch pipe, 980 linear feet of 2-inch pipe, 925 linear feet of 3/4-inch service line, 11 gate valves, 3 blow-off valves, 4 air release valves and 37 service connections and meter set ups in order to extend the water distribution system to serve approximately 37 residential customers in Paw Paw District, Marion County, and Clay District, Monongalia County, together with the repair and improvement of existing water tanks and all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the acquisition and construction of the Project is \$763,300 of which not more than \$682,300 will be obtained from the proceeds of sale of the Series 2006 A Bonds herein authorized and \$81,000 will be obtained from a grant from the Purchaser.

E. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), in the aggregate principal amount of not more than \$682,300 (the "Series 2006 A Bonds"), to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2006 A Bonds prior to, during and for six months after completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents 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 Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition and construction of the properties and the placement of same in operation; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

F. The period of usefulness of the System after completion of the Project is not less than 40 years.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment, being the Water Revenue Bonds, Series 1978 (United States Department of Agriculture), dated April 25, 1979, issued in the original aggregate principal amount of \$89,000 (the "Series 1978 Bonds"), held by United States Department of Agriculture, Rural Utilities Service (the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2006 A Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2006 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions, dated December 17, 2003, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of 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 Series 2006 A Bonds, or will have so complied prior to issuance of the Series 2006 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the

covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2006 A Bonds.

Section 1.04.      Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

"Bond Legislation" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

"Bond Registrar" means the Issuer, which shall usually so act by its Secretary.

"Bonds" means, collectively, the Series 2006 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

"Commission" means the West Virginia Municipal Bond Commission, formerly known as the State Sinking Fund Commission, or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means George E. Pigott & Associates, Inc., Fairmont, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means First Exchange Bank, Barrackville, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" means the Public Service Board of the Issuer.

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

"Grants" means, collectively, all grants committed for the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Monumental Public Service District, a public service district and a public corporation and a political subdivision of the State of West Virginia, in Marion County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated December 17, 2003, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2006 A Bonds in the then current or any succeeding year.

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

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

"Prior Bonds" means, collectively, the Water Revenue Bonds, Series 1978 (United States Department of Agriculture), of the Issuer described in Section 1.02G hereof.

"Prior Resolution" means the resolution of the Issuer, adopted April 25, 1979, authorizing the Prior Bonds.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

- (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 (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

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

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

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

"Registered Owners," "Bondholders," "Holders of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Resolutions" means the Prior Resolution and the Bond Legislation.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Governing Body.

"Series 2006 A Bonds" means the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"System" means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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



## ARTICLE II

### AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01.      Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$763,300 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 2006 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2006 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)", are hereby authorized to be issued in a principal amount not to exceed \$682,300 for the purpose of financing the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2006 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2006 A Bonds shall bear interest from the date of delivery, payable monthly at a rate not to exceed 4.50% per annum, and shall be sold for the par value thereof.

The Series 2006 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2006 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2006 A Bonds, and the right to principal of and stated interest on the Series 2006 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2006 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2006 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2006 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2006 A Bonds.

Section 3.04.      Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2006 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2006 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2006 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2006 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2006 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2006 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05.      Execution of Bonds. The Series 2006 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 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. The Series 2006 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 3.06.      Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2006 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2006 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2006 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07.      Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2006 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2006 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 A Bonds and the Prior Bonds as the same become due.

Section 3.08.      Form of Bond. Subject to the provisions hereof, the text of the Series 2006 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

MONUMENTAL PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2006 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

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

No. AR-1

Date: \_\_\_\_\_

FOR VALUE RECEIVED, MONUMENTAL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus interest on the unpaid principal balance at the rate of \_\_\_\_\_ % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first \_\_\_\_\_ months after the date hereof, and \$ \_\_\_\_\_, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of \_\_\_\_\_ years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted \_\_\_\_\_, \_\_\_\_\_, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1978 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 25, 1979, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,000, AND DESCRIBED IN THE PRIOR RESOLUTION.

IN WITNESS WHEREOF, MONUMENTAL PUBLIC SERVICE DISTRICT  
has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto  
affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove  
written.

MONUMENTAL PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

By: \_\_\_\_\_  
Its: Chairman, Public Service Board  
Route 2, Box 196 B  
Fairmont, West Virginia 26554

ATTEST:

By: \_\_\_\_\_  
Its: Secretary, Public Service Board



(Form of)

RECORD OF ADVANCES

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

(Form of Assignment)

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:

\_\_\_\_\_

## ARTICLE IV

### SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01.      A. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with (or continued if previously established by the Prior Resolution) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1)    Revenue Fund (established by the Prior Resolution);
- (2)    Reserve Account (established by the Prior Resolution);
- (3)    Depreciation Reserve (established by Prior Resolution); and
- (4)    Series 2006 A Project Construction Account.

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

- (1)    Series 2006 A Bonds Reserve Account.

Section 4.02.      Bond Proceeds; Series 2006 A Project Construction Account. The proceeds of the sale of the Series 2006 A Bonds shall be deposited upon receipt by the Issuer in the Series 2006 A Project Construction Account. The monies in the Series 2006 A Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2006 A Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2006 A Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2006 A Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2006 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2006 A Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2006 A Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03.      Covenants of the Issuer as to System Revenues and Funds.  
So long as any of the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2006 A Bonds as follows:

A.      **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolutions and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Resolutions.

B.      **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Resolution not otherwise modified herein:

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

(2)      The Issuer shall next, each month, on or before the due date of payment of each installment on the Prior Bonds and the Series 2006 A Bonds transfer from the Revenue Fund and remit to the National Finance Office, the amounts required to (i) pay the principal and interest, if any, on the Prior Bonds; and (ii)

pay the interest on the Series 2006 A Bonds and to amortize the principal of the Series 2006 A Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Prior Bonds and the Series 2006 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the date specified in the Prior Resolution, transfer from the Revenue Fund and remit (i) to the Depository Bank specified in the Prior Resolution, for deposit into the Reserve Account for the Prior Bonds, the amount required by the Prior Resolution; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 12th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 A Bonds Reserve Account, an amount equal to 10% of the monthly payments amount, until the amount in the Series 2006 A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2006 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 Minimum Reserve. Monies in the Series 2006 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2006 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2006 A Bonds, or for mandatory prepayment of the Series 2006 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2006 A Bond Reserve Account, so long as the Series 2006 A Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for the deposit in the Depreciation Reserve the amounts required by the Prior Resolutions.

(5) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies

remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the money in the Series 2006 A Bonds Reserve Account shall be sufficient to prepay the Series 2006 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2006 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2006 A Bonds Reserve Account and all amounts required for the Series 2006 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund and the Series 2006 A Bonds Reserve Account shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2006 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolution, the Commission at the direction of the Issuer, shall keep the monies in the Series 2006 A Bonds Reserve Account, invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Investment Management Board. Any investment shall be held in and at all times deemed a part of the fund or account in which

such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2006 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Commission and the Depository Bank.

C. **CHANGE OF DEPOSITORY BANK.** The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. **USER CONTRACTS.** The Issuer shall, prior to delivery of the Series 2006 A Bonds, provide evidence that there will be at least 830 bona fide users upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

E. **CHARGES AND FEES.** The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

F. **INVESTMENT OF EXCESS BALANCES.** The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

## ARTICLE V

### GENERAL COVENANTS, ETC.

Section 5.01.      General Statement. So long as the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2006 A Bonds.

Section 5.02.      Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2006 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03.      Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2006 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04.      Issuance of Additional Parity Bonds or Obligations. No Parity Bonds shall be issued after issuance of the Series 2006 A Bonds unless the provisions contained in the Prior Resolution respecting issuance of Parity Bonds have been satisfied. No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.



The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2006 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2006 A Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2006 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2006 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2006 A Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Failure to make payment of any monthly amortization installment upon the Series 2006 A Bonds at the date specified for payment thereof; and

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2006 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08.      Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights. Prior to pursuing any remedy upon the occurrence of an Event of Default, the Purchaser must first provide the District with written notice of its intent to pursue a remedy. The notice must contain a description of the Event of Default and actions intended to be taken as a result of such default.

Upon application by the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09.      Fiscal Year; Budget. While the Series 2006 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall

not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10.      Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11.      Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12.      Books and Records; Audits. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.13.      Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2006 A Bonds are outstanding.

Section 5.14.      No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

## ARTICLE VI

### RATES, ETC.

Section 6.01.      Initial Schedule of Rates and Charges; Rules.    A.    The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Orders of the Public Service Commission of West Virginia, entered on May 11, 2005 and December 23, 2005, Case No. 05-0070-PWD-CN, which is incorporated herein by reference as a part hereof.

                  B.      There shall not be any discrimination or differential in rates between customers in similar circumstances.

                  C.      All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

                  D.      The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

                  E.      The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

                  F.      The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

## ARTICLE VII

### MISCELLANEOUS

Section 7.01.      Payment of Bonds; Bonds Not Subject to Defeasance. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2006 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 with respect to the Series 2006 A Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2006 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through direct payment to the Holder of the Series 2006 A Bonds of the outstanding principal of and accrued interest on the Bonds, the Issuer may not defease the Series 2006 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02.      Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03.      Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2006 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04.      Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2006 A Bonds.

Section 7.05.      Conflicting Provisions Repealed. The Prior Resolution and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolution.

All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06.      Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07.      Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08.      Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted this 22nd day of February, 2006.

MONUMENTAL PUBLIC SERVICE DISTRICT


  
Chairman

CERTIFICATION

Certified as a true copy of the Resolution duly adopted by the Public Service Board of MONUMENTAL PUBLIC SERVICE DISTRICT on the 22nd day of February, 2006.

Dated: February 24, 2006.

[SEAL]

  
Secretary

02/11/06  
615570.00001



MONUMENTAL PUBLIC SERVICE DISTRICT

\$89,000 Water Revenue Bond,  
Series 1978

BOND RESOLUTION

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MONUMENTAL PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$89,000 WATER REVENUE BOND, SERIES 1978, OF MONUMENTAL PUBLIC SERVICE DISTRICT ON A PARITY WITH THE SERIES A BOND TO FINANCE ACQUISITION AND CONSTRUCTION OF EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF  
MONUMENTAL PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS  
AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code and other applicable provisions of law. Monumental Public Service District (the "District") is a public service district created pursuant to said Article 13A by The County Commission of Marion County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The District now has a waterworks system (the "System"). However, the inhabitants of the Plum Run Community, which is within the District, are not now served by the System and it is urgently required by said inhabitants that they be served by the System.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and, accordingly, it is hereby ordered, that the District cause to be constructed additions, extensions and improvements for the

System, consisting of new lines, a new pump station and a 30,000 gallon tank (such additions, extensions and improvements being collectively called the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board of the District (the "Board"). Water will be purchased, pursuant to agreement, from the City of Fairmont.

(C) It is necessary for the District to issue its revenue bond in the principal amount of \$89,000 to finance the cost of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the construction of the Project is \$178,500, of which \$89,000 will be obtained from the proceeds of sale of the Bond herein authorized, \$78,000 from a grant by the United States Department of Housing and Urban Development, and \$11,500 from a grant by The County Commission of Marion County.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized by this resolution.

(F) The period of usefulness of the System after completion of the Project is not less than forty (40) years.

(G) There is outstanding the obligation of the District which will rank on a parity with the Bond as to liens and source of and security for payment, as follows:

Waterworks Revenue Bond, Series A, dated \_\_\_\_\_,  
1967 issued in the principal amount of \$275,000.

The Bond and the Series A Bond will be on a parity in all respects with each other.

(H) The Government is expected by the Board to purchase the entire principal amount of the Bond.

(I) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond by the Government, this Resolution shall be deemed to be and shall constitute a contract between the District and such Bondholder, and the covenants and agreements set forth in this Resolution to be performed by the District shall be for the benefit, protection and security of the Government as holder of the Bond.

Section 1.04. Definitions. The following terms shall have the following meanings in this Resolution unless the text otherwise expressly requires:

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Board" means the Public Service Board of the District, the governing body of the District under the Act.

"Bond" means the \$89,000 Water Revenue Bond, Series 1978, originally authorized to be issued pursuant to this Resolution.

"Bonds" means the Bond and the Series A Bond.

"Chairman" means the Chairman of the Board.

"District" means Monumental Public Service District of Marion County, West Virginia, and, where appropriate, also means the Public Service Board thereof.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Herein" means in this Resolution.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of any outstanding Bond registered to bearer or not registered, or the registered owner of any outstanding Bond which shall at the time be registered other than to the bearer.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Original Purchaser" means the purchaser, directly from the

"Project" shall have the meaning stated in Section 1.02(B) above.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received the the District, or accrued to the District, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Board.

"Series A Bond" shall have the meaning provided in Section 1.02 (G).

"System" means the complete waterworks system of the District, including all water facilities owned by the District and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the System; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

## ARTICLE II

### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the District, to be known as "Water Revenue Bond, Series 1978," is hereby authorized to be issued in the aggregate principal amount of not exceeding Eighty-Nine Thousand Dollars (\$89,000) for the purpose of financing the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the District, and shall be payable as provided in the bond form hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary.

Section 2.04. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the District proof of his ownership thereof and complying with such other reasonable regulations and conditions as the District may require. The Bond so surrendered shall be canceled and held for the account of the District. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the District may pay the same and if



Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the net revenues derived from the System on a parity with the Series A Bond, in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 2.06. Form of Bond. Subject to the provisions of this Resolution, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1978

MONUMENTAL PUBLIC SERVICE DISTRICT

\$89,000

No. \_\_\_\_\_

Date: \_\_\_\_\_

FOR VALUE RECEIVED, MONUMENTAL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Eighty-Nine Thousand Dollars (\$89,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of principal and interest on the first day of each month after the date hereof in the sum of \$434, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt

evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act") and a Resolution of the Borrower.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations

This Bond is on a parity in all respects with the Series A  
Bond described in said Resolution.

MONUMENTAL PUBLIC SERVICE DISTRICT

[CORPORATE  
SEAL]

(Signature of Executive Official)

Chairman, Public Service Board  
(Title of Executive Official)

(Post Office Box No. or Street Address)

Fairmont, West Virginia 26554  
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board  
(Title of Attesting Official)

RECORD OF ADVANCES

AMOUNT		DATE	AMOUNT		DATE
(1)	\$		(6)	\$	
(2)	\$		(7)	\$	
(3)	\$		(8)	\$	
(4)	\$		(9)	\$	
(5)	\$		(10)	\$	

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

ASSIGNMENT

Pay to the Order of \_\_\_\_\_

UNITED STATES OF AMERICA  
FARMERS HOME ADMINISTRATION

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

ARTICLE III

BOND PROCEEDS; REVENUES AND  
APPLICATION THEREOF

Section 3.01. Bond Proceeds. All moneys received from the sale of the Bond shall be deposited on receipt by the District in Community Bank & Trust of Fairmont, West Virginia, a member of Federal Deposit Insurance Corporation (herein called "FDIC"), in a special account hereby created and designated as "Monumental Public Service District Construction Account" (the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided herein.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and pay to the National Finance Office named in the Bond, not later than the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the Bond on such interest payment date.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made,

any balance remaining in the Project Construction Account shall be promptly used in accordance with the regulations of the Government.

Section 3.02. Covenants of the District as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the District further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the District in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" is hereby established with said Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this Resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The District shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond the amounts required to pay the interest on the Bonds and to amortize the principal of the Bonds over the lives of both Bond issues.



(3) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with said Bank in the Reserve Account hereby established with said Bank, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the bonds outstanding until the amount in the Reserve Account equals such maximum annual aggregate amount of interest and principal (such amount being herein called the "Reserve Requirement"). After the Reserve Requirement has been accumulated in the Reserve Account, the District shall monthly deposit into the Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of operating expenses of the System, as shall be required to maintain the Reserve Requirement. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Bonds as the same shall become due or for prepayment of installments or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose.

(4) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve hereby established with said Bank the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of \$10,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of installments on the Bonds as the same become due, and next to restore to the Reserve Account any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the District and used for extraordinary repairs and for replacements

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

Whenever the moneys in the Reserve Account shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the District, anything to the contrary in this resolution notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The said Bank (and any successor appointed by the District) is hereby designated as the Fiscal Agent for the administration of the Reserve Account and the Depreciation Reserve as herein provided, and all amounts required therefor will be deposited by the District upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Government shall have a lien thereon for further securing payment of the Bonds and the interest thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia. The Bank shall not be a trustee as to such funds.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Fiscal Agent shall keep the moneys in the Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) Additional User Contracts. The District shall, prior to delivery of the Bond, obtain user agreements from not less than 50 bona fide full time users, and shall collect from such users, and deposit in the Project Construction Account, not less than \$5,000, based on a tap fee of \$100.

(D) Upon delivery of the Bond, the District will close the Bond Fund established by the Resolution which authorized the Series A Bond (the "Series A Resolution") and will remit all moneys therein to the National Finance Office named in the Bond for payment on the Series A Bond. Each month the District shall remit the moneys formerly deposited in the Bond Fund directly to said National Finance Office.

The Operation and Maintenance Fund established by the Series A Resolution shall be closed and moneys therein transferred to and deposited in the Revenue Fund hereby established.

The Reserve Fund established by the Series A Resolution shall be closed and moneys therein transferred to and deposited in the Reserve Account hereby established.

The Repair and Replacement Fund established by the Series A Resolution shall be closed and moneys therein transferred to and deposited in the Depreciation Reserve hereby established.

#### ARTICLE IV

##### GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account a sum sufficient to prepay the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Bondholder.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the average annual debt service on the Bonds and to make the payments required herein into the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of the Government : long as the Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity Bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant to this Resolution except with the prior written consent of the Government.

Section 4.05. Insurance and Bonds. The District hereby covenants and agrees that, so long as the Bond remains outstanding, it will, as an

expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured at once if not now in effect, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(b) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons, or injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(c) Vehicular Public Liability Insurance, in the event the District owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the District is operated for the benefit of the District, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the

Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the treasurer.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, and so long as the Bonds are outstanding, the District will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the District, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond for the benefit of the Bond on a parity with the Series A Bond.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment on the Bond at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the District contained in the Bonds or in this Resolution, or violation of or failure to observe any provision of any pertinent law.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Government may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most

Upon application by the Government, such court may, upon proof of such default, appoint a receiver for the affairs of the District and the System. The Receiver so appointed shall administer the System on behalf of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the District agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Board. Copies of each Annual Budget shall be delivered to the Government by the beginning of each fiscal year.

If for any reason the District shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the District. Each such Budget of Current Expenses shall be mailed immediately to the Government.

Section 4.10. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of its Board in excess of the amount permitted by the Act. Payment of any compensation to any member of the Board for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision of this resolution.

Section 4.11. Covenant to Proceed and Complete. The District hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary of the Board on the date of adoption of this resolution, subject to permitted changes.

Section 4.12. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and the Government shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Government.

Section 4.13. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bonds are outstanding.



Section 4.14. No Competition. The District will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the District or within the territory served by the System.

Section 4.15. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules.

A. The schedule of rates and charges for the services and facilities of the System initially shall be those established by the Public Service Commission of West Virginia by its order in Case No. 6192 entered February 7, 1967.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such a Financing Statement in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Commission of said County.

Section 6.02. Delivery of Bond No. 1. The Chairman, Secretary and Treasurer of the Board are hereby authorized and directed to cause Bond No. 1, hereby awarded to the Government pursuant to agreement, to be delivered to the Government as soon as the Government will accept such delivery.

Section 6.03. Defeasance. This Resolution and the covenants herein may be defeased only upon prior written consent of the Government or by payment in full of the Bonds, acceptance of and payment by the Government and cancellation of the Bonds.

Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this Resolution or the Bond.

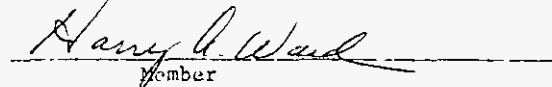
Section 6.05. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflicts, hereby repealed, including the Series A Resolution but excluding the Form FmHA 442-47 Loan Resolution (Public Bodies) adopted by the District.

Section 6.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.07. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted April 25, 1979.

  
Chairman of Public Service Board

  
Member

  
Member



**United States Department of Agriculture  
Rural Development  
West Virginia State Office**

February 24, 2006

Monumental Public Service District  
Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

**TO WHOM IT MAY CONCERN:**

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amount of the Series 1978 Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture) (the "Series 2006 A Bonds"), in the original aggregate principal amount of \$682,300 by Monumental Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Series 2006 A Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 1978, dated April 25, 1979 (the "Series 1978 Bonds"); (ii) waives any requirements imposed by the Series 1978 Bonds or the resolutions authorizing the Series 1978 Bonds (the "Prior Resolution"), regarding the issuance of parity bonds which are not met by the Series 2006 A Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolution by the Resolution, if any.

UNITED STATES DEPARTMENT OF  
AGRICULTURE, RURAL  
UTILITIES SERVICE

  
\_\_\_\_\_  
Acting State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500  
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,  
Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16<sup>th</sup> day of February, 2006.

CASE NO. 05-0070-PWD-CN (Reopened)

**MONUMENTAL PUBLIC SERVICE DISTRICT**

Application for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately 37 residential customers and to make certain repairs and improvements to existing water tanks, all in Paw Paw District, Marion County and Clay District, Monongalia County.

**COMMISSION ORDER**

By Recommended Decision, which became a final order of the Commission on May 11, 2005, the Public Service Commission granted the above-described certificate application, including financing for the project, consisting of a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years. The Commission also approved an approximate 13% rate increase for Monumental Public Service District (District), to take effect upon completion of the project.

On November 18, 2005, the District filed a Petition to Reopen due to the fact that the lowest project bid exceeded the District's estimates by \$81,000. The Petition stated that the District had obtained a grant in the amount of \$81,000 from USDA Rural Development to cover the funding deficiency. The District provided a Tariff Rule 42 Exhibit with its Petition to Reopen.

On November 30, 2005, the District filed a letter noting that its Tariff Rule 42 Exhibit indicated that a slight rate increase was needed, and requested expedited treatment.

On December 8, 2005, Commission Staff (Staff) filed an Initial Joint Staff Memorandum in this matter. Staff noted that the District's revised Tariff Rule 42 Exhibit,



filed with its Petition to Reopen, indicated significant increases in the District's operation and maintenance expenses, and that a 7% rate increase was needed to cover those expenses. Staff stated that because the rate increase would not be attributed to project-related costs, Staff intended to conduct an audit of the District's finances. In the meantime, Staff recommended that the proposed rates be approved as interim rates, subject to refund.

On December 20, 2005, Staff filed a Final Joint Staff Memorandum advising that Staff no longer recommended an interim rate increase as the District's current rates are adequate to meet going-level operations. However, Staff's audit indicated that upon substantial completion of the project, the District will need a rate increase of an additional 9% over the previously approved increase of 13%, to cover project-related and annual capital expenses. Accordingly, Staff recommended that the District's reopened certificate application be approved, including approval of the \$81,000 USDA Rural Development grant, and approval of Staff's recommended tariff, as attached to its memorandum.

By Order issued December 23, 2005, the Commission reopened this case; authorized the District to accept the \$81,000 grant; and required the District to publish notice of Staff's recommended rate increase. The Commission stated that following expiration of the protest period provided in the notice, and further Commission consideration of the proposed rate increase, the Commission would issue a further order.

On January 25, 2006, the District filed affidavits of publication evidencing that the required notice was published in the *Dominion Post* of Monongalia County on January 11, 2006, and in the *Times West Virginian* of Marion County on January 12, 2006. The protest period expired on February 13, 2006, and no protests were filed in this matter.

On February 15, 2006, the District filed a letter requesting a final order in this case prior to February 24, 2006, which is the closing date of the District's grant.

### DISCUSSION

As the proposed rate increases have been publicly noticed without protest having been filed, the Commission finds that it is reasonable and appropriate to approve the subject rate increase for the District, to be effective upon substantial completion of the project.

The District's acceptance of the \$81,000 grant was approved by prior order.





## FINDINGS OF FACT

1. By Recommended Decision, which became a final order of the Commission on May 11, 2005, the Public Service Commission granted the above-described certificate application, including financing for the project, consisting of a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years. The Commission also approved an approximate 13% rate increase for the District, to take effect upon completion of the project.

2. On November 18, 2005, the District filed a Petition to Reopen due to the fact that the lowest project bid exceeded the District's estimates by \$81,000. The Petition stated that the District had obtained a grant in the amount of \$81,000 from USDA Rural Development to cover the funding deficiency. The District provided a Tariff Rule 42 Exhibit with its Petition to Reopen.

3. On November 30, 2005, the District filed a letter noting that its Tariff Rule 42 Exhibit indicated that a slight rate increase was needed, and requested expedited treatment of its petition.

4. On December 8, 2005, Staff filed an Initial Joint Staff Memorandum in this matter. Staff noted that the District's revised Tariff Rule 42 Exhibit, filed with its Petition to Reopen, indicated significant increases in the District's operation and maintenance expenses, and that a 7% rate increase was needed to cover those expenses. Staff recommended that the proposed rates be approved as interim rates, subject to refund.

5. On December 20, 2005, Staff filed a Final Joint Staff Memorandum advising that Staff no longer recommended an interim rate increase as the District's current rates are adequate to meet going-level operations. However, Staff's recent audit indicated that upon substantial completion of the project, the District would need a rate increase of an additional 9% over the previously approved increase of 13%, to cover project-related and annual capital expenses. Accordingly, Staff recommended that the District's reopened certificate application be approved, including approval of the \$81,000 RUS grant, and approval of Staff's recommended tariff, as attached to its memorandum.

6. By Order issued December 23, 2005, the Commission reopened this case; authorized the District to accept the \$81,000 grant; and required the District to publish notice of Staff's recommended rate increase. The Commission stated that following expiration of the protest period provided in the notice, and further Commission consideration of the proposed rate increase, the Commission would issue a further order.



7. On January 25, 2006, the District filed affidavits of publication evidencing that the required notice was published in the *Dominion Post* of Monongalia County on January 11, 2006, and in the *Times West Virginian* of Marion County on January 12, 2006. The protest period expired on February 13, 2006, and no protests were filed in this matter.

8. On February 15, 2006, the District filed a letter requesting a final order in this case prior to February 24, 2006, which is the closing date of the District's grant.

### CONCLUSION OF LAW

As the proposed rate increase recommended by Staff has been properly published without protest, it is reasonable and appropriate to adopt the revised rates and charges to cover project-related and annual capital expenses, to be effective as of substantial completion of the District's project.

### ORDER

IT IS THEREFORE ORDERED that the rates attached hereto as Attachment A are approved for use by the District on all bills rendered on and after the date that the project is substantially completed.

IT IS FURTHER ORDERED that the District file an original and five copies of a revised tariff setting forth the new rates and charges within 30 days of the date the project is substantially completed.

IT IS FURTHER ORDERED that the District submit a certificate of substantial completion of the project from its engineer as soon as it becomes available.

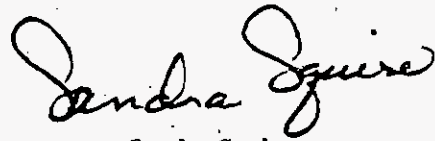
IT IS FURTHER ORDERED that, if there are any further changes in the scope, plans or financing of the project, the District shall obtain Commission approval of such charges prior to commencing construction.

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



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

A True Copy, Teste:

A handwritten signature in cursive script that reads "Sandra Squire".

Sandra Squire  
Executive Secretary

JML/ljm  
050070cb.wpd



MONUMENTAL PUBLIC SERVICE DISTRICT - WATER  
CASE NO. 05-0070-PWD-CN

APPROVED RATES

(C) APPLICABILITY

Applicable within the entire territory served.

(C) AVAILABILITY

Available for general domestic, commercial and industrial water service

(C.I) RATES (Customers with metered water supply)

First 5,000 gallons used per month \$5.63, per 1,000 gallons

Next 5,000 gallons used per month \$5.32 per 1,000 gallons

Next 10,000 gallons used per month \$5.02 per 1,000 gallons

All over 20,000 gallons used per month \$4.71 per 1,000 gallons

(C.I) MINIMUM CHARGE

No bill will be rendered for less than the following amounts, depending on the size of the meter installed:

5/8 inch meter \$16.89

5/8 inch meter - Chesapeake Division \$11.26

3/4 inch meter \$25.34

1 inch meter \$42.23

1 1/2 inch meter \$84.45

2 inch meter \$135.12

(C) DELAYED PAYMENT PENALTY

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





MONUMENTAL PUBLIC SERVICE DISTRICT - WATER  
CASE NO. 05-0070-PWD-CN

APPROVED RATES

(C) TAP FEE

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

A tap fee of \$250.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(C) RECONNECTION FEE - \$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

(C,I) RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

(C,I) LEAK ADJUSTMENT

\$2.92 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(C) Indicates Change

(I) Indicates Increase



**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 23rd day of December, 2005.

CASE NO. 05-0070-PWD-CN (Reopened)

**MONUMENTAL PUBLIC SERVICE DISTRICT**

Application for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately 37 residential customers and to make certain repairs and improvements to existing water tanks, all in Paw Paw District, Marion County and Clay District, Monongalia County.

**COMMISSION ORDER**

By Recommended Decision, which became a final order of the Commission on May 11, 2005, the Public Service Commission granted the above-described certificate application, including financing for the project, consisting of a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years. The Commission also approved an approximate 13% rate increase for Monumental Public Service District (District), to take effect upon completion of the project.

On November 18, 2005, the District filed a Petition to Reopen due to the fact that the lowest project bid exceeded the District's estimates by \$81,000. The Petition stated that the District had obtained a grant in the amount of \$81,000 from USDA Rural Development to cover the funding deficiency. The District provided a Tariff Rule 42 Exhibit with its Petition to Reopen.

On November 30, 2005, the District filed a letter noting that its Tariff Rule 42 Exhibit indicates that a slight rate increase is needed, and requesting expedited treatment of its petition and noted that the contractor's bid would expire on December 30, 2005.

On December 8, 2005, Commission Staff (Staff) filed an Initial Joint Staff Memorandum in this matter. Staff noted that the District's revised Tariff Rule 42 Exhibit,



filed with its Petition to Reopen, indicated significant increases in the District's operation and maintenance expenses, and that a 7% rate increase is needed to cover those expenses. Staff stated that because the rate increase would not be attributed to project-related costs, Staff intends to conduct an audit of the District's finances. In the meantime, Staff recommended that the proposed rates be approved as interim rates, subject to refund.

On December 20, 2005, Staff filed a Final Joint Staff Memorandum advising that Staff no longer recommended an interim rate increase as the District's current rates are adequate to meet going-level operations. However, Staff's recent audit indicated that upon substantial completion of the project, the District will need a rate increase of an additional 9% over the previously approved increase of 13%, to cover project-related and annual capital expenses. Accordingly, Staff recommended that the District's reopened certificate application be approved, including approval of the \$81,000 USDA Rural Development grant, and approval of Staff's recommended tariff, as attached to its memorandum.

### DISCUSSION

Upon review of the recent filings, the Commission agrees that this proceeding should be reopened; the District's acceptance of the \$81,000 RUS grant should be approved; and the District should be required to publish notice of Staff's recommended rate increase in the form attached hereto as Attachment A. Following expiration of the protest period, and further Commission consideration of the proposed rate increase, the Commission will issue a further order.

The Commission will grant the request for expedited treatment so that this order will issue prior to December 30, 2005.

### FINDINGS OF FACT

1. By Recommended Decision, which became a final order of the Commission on May 11, 2005, the Public Service Commission granted the above-described certificate application, including financing for the project, consisting of a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years. The Commission also approved an approximate 13% rate increase for the District, to take effect upon completion of the project.

2. On November 18, 2005, the District filed a Petition to Reopen due to the fact that the lowest project bid exceeded the District's estimates by \$81,000. The Petition stated that the District had obtained a grant in the amount of \$81,000 from USDA Rural



Development to cover the funding deficiency. The District provided a Tariff Rule 42 Exhibit with its Petition to Reopen.

3. On November 30, 2005, the District filed a letter noting that its Tariff Rule 42 Exhibit indicates that a slight rate increase is needed, and requesting expedited treatment of its petition and noted that the contractor's bid would expire on December 30, 2005.

4. On December 8, 2005, Commission Staff (Staff) Filed an Initial Joint Staff Memorandum in this matter. Staff noted that the District's revised Tariff Rule 42 Exhibit, filed with its Petition to Reopen, indicated significant increases in the District's operation and maintenance expenses, and that a 7% rate increase is needed to cover those expenses. Staff recommended that the proposed rates be approved as interim rates, subject to refund.

5. On December 20, 2005, Staff filed a Final Joint Staff Memorandum advising that Staff no longer recommended an interim rate increase as the District's current rates are adequate to meet going-level operations. However, Staff's recent audit indicated that upon substantial completion of the project, the District would need a rate increase of an additional 9% over the previously approved increase of 13%, to cover project-related and annual capital expenses. Accordingly, Staff recommended that the District's reopened certificate application be approved, including approval of the \$81,000 RUS grant, and approval of Staff's recommended tariff, as attached to its memorandum.

### **CONCLUSIONS OF LAW**

1. This certificate case should be reopened.
2. The District's request for Commission approval to accept an \$81,000 USDA Rural Development grant should be approved.
3. Due to the proposed rate increase recommended by Staff, the District should be required to publish the notice attached as Attachment A, as a Class I legal advertisement in newspapers published and of general circulation in Marion and Monongalia counties.

### **ORDER**

IT IS THEREFORE ORDERED that this certificate case is hereby reopened.

IT IS FURTHER ORDERED that immediately upon entry hereof, the Monumental Public Service District is authorized to accept an \$81,000 USDA Rural Development grant as additional financing for the above described certificate project.





IT IS FURTHER ORDERED that the District shall publish the notice attached hereto as Attachment A, as a Class I legal advertisement in newspapers published and of general circulation in Marion and Monongalia counties, and file the affidavits with the Commission as soon as possible.

IT IS FURTHER ORDERED that this case shall remain open pending receipt of the affidavits of publication for the attached notice. Following expiration of the protest period, and further Commission consideration of the proposed rate increase, the Commission will issue a further order.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the District shall comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that, if there are any further changes in the scope, plans or financing of the project, the District shall obtain Commission approval of such charges prior to commencing construction.

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

A True Copy, Teste:

  
Sandra Squire  
Executive Secretary

JML/ljm/klm  
050070ca.wpd



**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

CASE NO. 05-0070-PWD-CN (Reopened)

**MONUMENTAL PUBLIC SERVICE DISTRICT**

Application for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately 37 residential customers and to make certain repairs and improvements to existing water tanks, all in Paw Paw District, Marion County and Clay District, Monongalia County.

**NOTICE OF RECOMMENDED RATE INCREASE**

By Commission Order of May 11, 2005, the Public Service Commission granted the above-described certificate application, including project financing and an approximate 13% rate increase for Monumental Public Service District (District), to take effect upon completion of the project.

On November 18, 2005, the District filed a Petition to Reopen requesting Commission approval to accept an \$81,000 USDA Rural Development grant to cover excess costs of the project. The District provided an updated operation and maintenance expenses report with its Petition. The District noted that it needed a slight rate increase.

On December 20, 2005, Commission Staff filed a Final Joint Staff Memorandum advising that Staff's audit indicated that upon substantial completion of the project, the District would need a rate increase of an additional 9% over the previously approved increase of 13%, to cover project-related and annual capital expenses. Accordingly, Staff recommended that the Commission grant the District permission to accept the \$81,000 USDA Rural Development grant, and approve an additional 9% rate increase upon substantial completion of the project. Under Staff's recommended rates, the average customer bill based on usage of 4,500 gallons per month, would increase by \$0.09 over the rate increase previously approved, to \$25.34. The minimum customer bills will also increase. The increase will produce an additional \$15,743 in annual revenue.



The District's new rates would be as follows:

Rates

First 5,000 gallons used per month \$5.63, per 1,000 gallons  
Next 5,000 gallons used per month \$5.32 per 1,000 gallons  
Next 10,000 gallons used per month \$5.02 per 1,000 gallons  
All over 20,000 gallons used per month \$4.71 per 1,000 gallons

Minimum Charge

No bill will be rendered for less than the following amounts, depending on the size of the meter installed:

5/8 inch meter \$16.89  
5/8 inch meter - Chesapeake Division \$11.26  
3/4 inch meter \$25.34  
1 inch meter \$42.23  
1 1/2 inch meter \$84.45  
2 inch meter \$135.12

Leak Adjustment

\$2.92 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

The District's tariff contains other rates and charges that are not changed by this filing.

Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this reopened certificate application, including the associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the filing. Requests to intervene must comply with the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, WV 25323. If no protests are received within the 30 days, the Commission may waive formal hearing and grant the application based on the evidence submitted and the Commission's review.



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: April 29, 2005

CASE NO. 05-0070-PWD-CN

MONUMENTAL PUBLIC SERVICE DISTRICT,  
a public utility, Route 2, Box 196B,  
Fairmont, Marion County.

Application for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately 37 residential customers and to make certain repairs and improvements to existing water tanks, all in Paw Paw District, Marion County and Clay District, Monongalia County.

**FINAL**

5-11-05

Per Commission  
order waiving  
exception period

RECOMMENDED DECISION

On January 24, 2005, Monumental Public Service District (District) filed an application, duly verified, for a certificate of convenience and necessity<sup>1</sup> to construct an extension of its existing water distribution system to serve approximately thirty-seven (37) residential customers and to make certain repairs and improvements to existing water tanks in Paw Paw District, Marion County, and Clay District, Monongalia County, West Virginia.<sup>2</sup> The extension will begin near the intersection of Marion County Routes 17 and 21, approximately 0.4 miles northwest of Grant Town. The extension will then continue along a 3.5 mile section of Marion County Route 26, thence along Robinson Run in Paw Paw District, Marion County, and thence along a 0.63 mile section of Monongalia County Route 27/4, in Clay District, Monongalia County, West Virginia. The District also proposed to make certain repairs and improvements to existing water tanks in order to maintain a reliable, adequate and safe supply of water.

The waterline extension phase of the project will consist of installing 8,280 linear feet of 4-inch pipe, 13,200 linear feet of 3-inch pipe, 980 linear feet of 2-inch pipe, 925 linear feet of 3/4-inch service line, 11 gate valves, 3 blow-off valves, 4 air release valves and 37

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<sup>1</sup>On August 31, 2004, the District, by counsel, filed a letter informing the Commission, pursuant to West Virginia Code §24-2-11, of its intent to file an application for a certificate of convenience and necessity for the subject project.

<sup>2</sup>Thirty-one (31) of the customers are located in Paw Paw District, Marion County, and six (6) are located in Clay District, Monongalia County.

service connections and meter set ups. The system upgrade phase of the project will consist of sandblasting and painting both the interior and exterior of a 74,000-gallon welded steel water tank installed in 1977, installing ladder safety cages with locking access doors on five (5) water tanks and installing radio activated Recorder Controls between the booster pump station and the 150,000-gallon storage tank.

It was estimated that the proposed project will cost approximately \$682,300. Funding for the proposed project is to be provided by a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75% for a term not to exceed 40 years. The District proposed a 13.6% increase in rates to generate sufficient revenues to cover the increased debt service and operation and maintenance (O&M) expenses associated with the project. A Rule 42 Exhibit for the year ended June 30, 2004, prepared by Gary K. Bennett, C.P.A., was attached to the certificate application, as was a proposed Notice of Filing and proposed tariff.

By Order dated January 24, 2005, the District was directed to provide notice of the filing of the application by publishing a copy of said Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Marion and Monongalia Counties, West Virginia, making due return to the Commission of proper certification of publication immediately after publication. The Notice directed that anyone desiring to make objection to the certificate application must do so, in writing, within thirty (30) days after publication of said Notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increase, or to participate in future proceedings. The Notice further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the certificate application based upon the evidence submitted in the application and the Commission's review thereof.

On February 23, 2005, Staff Attorney Richard M. Allen filed an Initial Joint Staff Memorandum, to which was attached an Initial Internal Memorandum, dated February 17, 2005, prepared by Nathan Nelson, Utilities Analyst I, Water and Wastewater Division, and Audra Blackwell, Technical Analyst I, Engineering Division. Commission Staff requested that the District provide the following information and/or documentation, to-wit:

- (1) A letter from the Rural Utilities Service (RUS) committing the funds for the project with the terms and conditions included;
- (2) A Final Engineering Report with updated and clarified overall project cost estimates. The project estimate included only estimates for construction costs (\$618,107) and did not provide an overall project cost that matched the overall estimated project cost given in the application of \$682,300;
- (3) Written hand calculations from the engineer explaining the increase in the pro forma adjustments for O&M expenses listed in the Rule 42 Exhibit under Statement A, Schedule



2 (page 3). The costs were provided in the different categories by the accountant, but were not backed up by the engineer's hand calculations. The engineer provided a list of each, but no actual calculations; and

- (4) Copies of the permits referenced in the January 24, 2005 filing. The District provided Staff with the number of particular permits that were received, but did not submit copies.

Upon receipt and review of the above information and/or documentation, Commission Staff would issue a final recommendation in a timely manner. In the interim, referral of this matter to the Division of Administrative Law Judges for further disposition was recommended.

On February 24, 2005, the District filed affidavits of publication reflecting that, in compliance with the Commission's January 24, 2005 Order, the Notice of Filing was published in The Dominion Post, on February 3, 2005, and in the Times West Virginian, on January 29, 2005, newspapers duly qualified by the Secretary of State, published and of general circulation in Monongalia and Marion Counties, respectively.

On March 2, 2005, counsel for the District filed a letter informing the Commission of his new address and requesting that all future correspondence in this matter be mailed to him at that address.

By Order dated March 9, 2005, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of on or before August 22, 2005.

On March 16, 2005, the District filed the information and documentation requested by Commission Staff in the Initial Joint Staff Memorandum and attachment previously filed on February 23, 2005.

On April 22, 2005, Mr. Allen filed a Final Joint Staff Memorandum, to which was attached a Final Internal Memorandum, dated April 19, 2005, prepared by Mr. Nelson and Ms. Blackwell. A summary of the project costs, which Commission Staff deemed reasonable, is as follows:

Construction		\$463,140
Construction Contingency		32,420
Land and Right-of-ways		2,000
Legal Fees		6,000
Bond Counsel		12,000
Accounting		2,500
Engineering Fees		91,653
Basic	\$49,800	
Inspection	37,853	
Special	4,000	
Interest		58,700
Project Contingency		13,887
Total		\$682,300

Commission Staff noted that the State of West Virginia Office of Environmental Health Services had issued the District Permit No. 16,135

on July 9, 2004, granting approval for the District to install approximately 8,280 linear feet of 4-inch, 13,200 linear feet of 3-inch, 980 linear feet of 2-inch waterline and all necessary appurtenances to serve approximately thirty-seven (37) customers along Robinson Run.

Based upon the District's application, the engineering fees for the project are approximately 18.5% of the overall construction costs of \$495,560. The proposed project will add approximately 37 new customers. The cost per customer for the entire project is \$21,322, which is considered high; however, the District also has approximately 750 existing customers who will also benefit from the system upgrade portion of the project. The District will be adding approximately 4.5 miles of waterline and the customer density for the project is approximately 8.5 customers per mile, which is a very low customer density. The extension portion of the project is estimated to cost approximately \$361,090, with a resulting per customer cost for the extension alone of \$9,759, which was deemed by Commission Staff to be a little high, but within an acceptable range. According to the District's Rule 42 Exhibit, the District's O&M expenses are estimated to increase by \$10,416, due to the project, and the overall annual O&M expenses are estimated to be approximately \$193,589. The increase consists of \$5,594 in purchased water from the City of Fairmont; \$1,008 in operation labor and power for pumping; \$1,138 for maintenance of mains; \$1,590 in meter reading labor; and other small miscellaneous items. Commission Staff believes that the O&M cost estimates are reasonable.

The District proposes to finance the project through an RUS loan in the amount of \$682,300, to be paid over a 40-year period. The first 24 months will require the payment of interest only; thereafter the District will be required to make a monthly payment of \$3,241, or \$38,892 per year, for the remaining 38 years. RUS will also require the District to establish a debt reserve account. Payments of 10% of the regular monthly payment, or \$3,889 per year, will be paid into this account until an amount equal to one (1) year of debt payments is on deposit. The District submitted a commitment letter from RUS confirming the project funding and detailing the terms and conditions of the loan.

The District has proposed a 13.6% increase in rates to generate sufficient revenues to cover the increased debt service and O&M expenses associated with the project. The new rates will increase annual revenues \$35,889, from \$199,442 per year to \$235,331 per year. The District also estimated O&M expenses would increase \$10,416 to \$193,589 per year. The increase is largely attributable to increases in purchased water to serve the additional customers. The increased rates will produce an annual surplus of \$2,579, and a debt service coverage of 115%.

The District has a 1967 Series A Bond requiring \$13,677 in annual payments which will be retired in June of 2005. Because of this, although the project related debt service is \$38,892, the pro forma increase in debt service will be offset by \$13,677, to an adjusted amount of \$25,215. A cash flow analysis was attached to Commission Staff's Final Internal Memorandum as Attachment 1, which detailed the pro forma adjustments. Commission Staff also recalculated the District's leak adjustment rate to \$2.68 per 1,000 gallons of water used and increased its returned check charge to a maximum of \$25. Commission Staff noted

that the recalculated leak adjustment rate limits the District's recovery of unaccounted-for water to 20%. Commission Staff was of the opinion that the project is financially feasible and should be approved. A Staff-recommended tariff was attached to the Final Internal Memorandum as Attachment 3.

Based upon its review of the District's certificate application, supporting data and documents submitted therewith, Commission Staff recommended that:

1. The District be granted a certificate of convenience and necessity to construct the above-referenced project for an amount not to exceed \$682,300;
2. The project funding, consisting of an RUS loan in the amount of \$682,300, at 4.75% interest for 40 years, be approved;
3. If there is any change in the plans, scope or financing of the project, the District shall notify the Commission and request a reopening of this case for adjustments and approval;
4. Should project bids exceed the estimated construction costs approved herein, the District must request approval for any necessary project revisions and submit necessary engineering and financial data in support thereof;
5. The District will provide a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor bid contract to be awarded for this project; and
6. The engineer will submit a copy of the certificate of substantial completion when it is available.

By letter from the Commission's Executive Secretary dated April 22, 2005, the District was furnished a copy of Staff's recommendation and afforded ten (10) days within which to respond thereto, in writing. As of the date of this Order, no response has been filed by the District.

#### DISCUSSION

The District's proposed project will provide potable water utility service to residents who currently have no safe, reliable public water supply. The less obvious benefits will be an increase in property values due to the availability of a reliable and potable water supply. The proposed system upgrades will also ensure the continuation of a reliable, adequate and safe supply of water to the District's existing customers, as well as to the 37 new customers to be added as a direct result of the project. Accordingly, the certificate application filed herein will be granted. The financing for the proposed project, consisting of a \$682,300 RUS loan, at 4.75% interest per annum, paid back over a 40-year period, will also be approved. The Staff-recommended rates will provide

a reasonable cash flow surplus, after O&M expenses and debt service requirements, and, since there were no protests filed to the certificate application or rate increase, they will also be approved, effective upon the District's completion of the project. The Staff-recommended tariff revisions to reflect the language in the Commission's most recent Rules for the Construction and Filing of Tariffs (Tariff Rules) will also be approved; however, before the District can implement the increased returned check charge, it will have to publish the notice attached hereto as Appendix B, in accordance with the requirements set forth below, since notice of the increased returned check charge was never published.

#### FINDINGS OF FACT

1. Monumental Public Service District filed an application, duly verified, for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately thirty-seven residential customers and to make certain repairs and improvements to existing water tanks in Paw Paw District, Marion County, and Clay District, Monongalia County, West Virginia. The District proposed a 13.6% increase in rates to generate sufficient revenues to cover the increased debt service and O&M expenses associated with the project. (See, January 24, 2005 filing).

2. The project will cost approximately \$682,300 and will be financed by an RUS loan in the amount of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years. (See, January 24, 2005 filing; Final Joint Staff Memorandum and attachment filed April 22, 2005).

3. The District filed affidavits of publication reflecting that the Notice of Filing of the application was published in The Dominion Post, on February 3, 2005, and in the Times West Virginian, on January 29, 2005, newspapers duly qualified by the Secretary of State, published and of general circulation in Monongalia and Marion Counties, respectively, all in compliance with the Commission's January 24, 2005 Order. (See, Affidavits of Publication filed February 24, 2005).

4. No protests or objections were filed to the District's certificate application within the thirty-day response period, which expired on March 7, 2005, or as of the date of this Order. (See, case file generally).

5. The District's proposed 13.6% increase in rates will increase annual revenues \$35,889, from \$199,442 per year to \$235,331 per year. The District estimates annual O&M expenses to increase \$10,416 to \$193,589 per year. The increased rates will produce an annual surplus of \$2,579, and a debt service coverage of 115%. (See, Final Joint Staff Memorandum and attachment filed April 22, 2005).

6. Commission Staff is of the opinion that the District's proposed project is necessary to provide water service to residents who currently have no public water supply and is financially feasible and should be approved, with the Staff-recommended tariff, which incorporates the District's requested 13.6% rate increase, as well as revisions to reflect

the language in the Commission's most recent Tariff Rules. (See, Final Joint Staff Memorandum and attachment filed April 22, 2005).

7. The District did not file any objection to the Staff recommendations despite being given the opportunity to do so. (See, April 22, 2005 Executive Secretary's letter; case file generally).

#### CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the Monumental Public Service District to provide a safe, reliable water distribution system to serve approximately thirty-seven residential customers along Robinson Run who currently have no public water supply and to make certain repairs and improvements to existing water tanks in Paw Paw District, Marion County, and Clay District, Monongalia County, West Virginia.

2. It is reasonable to approve the financing of the project, which consists of an RUS loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years.

3. It is reasonable to approve the District's proposed rates and charges, as amended by Commission Staff, and as are more particularly set forth in Appendix A, attached hereto, to become effective for all services rendered by the District on or after the date the subject project is completed.

#### ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on January 24, 2005, by Monumental Public Service District for a certificate of convenience and necessity to construct an extension of its existing water distribution system to serve approximately thirty-seven (37) residential customers along Robinson Run who currently have no public water supply and to make certain repairs and improvements to existing water tanks in Paw Paw District, Marion County, and Clay District, Monongalia County, West Virginia, be, and hereby is, granted, without need for a formal hearing.

IT IS FURTHER ORDERED that the financing of the project, consisting of a USDA Rural Development Administration loan of \$682,300, at an annual interest rate of 4.75%, for a term not to exceed 40 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Monumental Public Service District's proposed rates and charges, as revised by Commission Staff and attached hereto as Appendix A, be, and hereby are, approved, to become effective for all service rendered by the District on and after the date that the project is completed, with the exception of the increased returned check charge, which must be published as set forth below.

IT IS FURTHER ORDERED that Monumental Public Service District publish a copy of the Notice, attached hereto as Appendix B, once a week

for two (2) successive weeks, in newspapers, duly qualified by the Secretary of State, published and of general circulation in Marion and Monongalia Counties, making due return to the Commission of proper affidavits of publication on or before June 3, 2005.

IT IS FURTHER ORDERED that Monumental Public Service District filed an original and at least five (5) copies of a revised tariff setting forth the rates and charges approved herein, within thirty (30) days from the date that the project is certified as complete.

IT IS FURTHER ORDERED that the Monumental Public Service District be, and hereby is, directed to submit a certificate of substantial completion of the project from its engineer as soon as it becomes available.

IT IS FURTHER ORDERED that the Monumental Public Service District be, and hereby is, directed to file a copy of the engineer's certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that, if there are any changes in the scope, plans or financing of the project, the District shall obtain Commission approval of such charges prior to commencing construction.

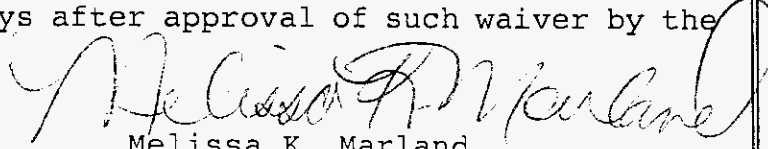
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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

  
Melissa K. Marland  
Chief Administrative Law Judge

MKM/JPC/dfs  
050070a.wpd

MONUMENTAL PUBLIC SERVICE DISTRICT  
Case No. 05-0070-PWD-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial water service.

RATE (customers with metered water supply)

First	5,000 gallons used per month	\$5.24 per 1,000 gallons
Next	5,000 gallons used per month	\$4.94 per 1,000 gallons
Next	10,000 gallons used per month	\$4.67 per 1,000 gallons
All Over	20,000 gallons used per month	\$4.38 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following, based on meter size:

5/8-inch meter	\$ 8.52 per month
5/8-inch meter Chesapeake Division	\$ 5.67 per month
3/4-inch meter	\$12.78 per month
1-inch meter	\$21.30 per month
1-1/2-inch meter	\$42.60 per month
2-inch meter	\$68.16 per month

The above minimum charge is subject to an additional \$2.40 per 1,000 gallons of water used per month.

DELAYED PAYMENT PENALTY

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

RECONNECTION ----- \$20.00

To be charged whenever the supply of water is turned off for violations of rules, nonpayment of bills or fraudulent use of water.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$250.00 will be charged to customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

LEAK ADJUSTMENT

**\$2.68 per 1,000 gallons** is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

CASE NO. 05-0070-PWD-CN

MONUMENTAL PUBLIC SERVICE DISTRICT,  
a public utility, Route 2, Box 196B,  
Fairmont, Marion County.

Application for a certificate of convenience  
and necessity to construct an extension of its  
existing water distribution system to serve  
approximately 37 residential customers and to  
make certain repairs and improvements to existing  
water tanks, all in Paw Paw District, Marion  
County and Clay District, Monongalia County.

NOTICE OF INCREASED RETURNED CHECK CHARGE

In a Recommended Decision entered April 29, 2005, an increased  
Returned Check Charge, as set forth below, was approved for use by  
Monumental Public Service District for use on or after the date its  
Robinson Run extension project is completed:

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to  
the District or a maximum of \$25.00 will be imposed upon any  
customer whose check for payment of charges is returned by  
their bank due to insufficient funds.

MONUMENTAL PUBLIC SERVICE DISTRICT



**LOAN RESOLUTION**  
(Public Bodies)**COPY**A RESOLUTION OF THE Board of DirectorsOF THE Monumental Public Service DistrictAUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING  
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS  
**Monumental PSD Robinson Run Waterline Extension**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the Monumental Public Service District

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

**SIX HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED AND XX / 100 DOLLARS (\$682,300.00)**pursuant to the provisions of Chapter 16, Article 13A, West Virginia Code ; and

**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.



11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0.00

under the terms offered by the Government; that \_\_\_\_\_

and \_\_\_\_\_ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 3 Nays 0 Absent 0

IN WITNESS WHEREOF, the Board of Directors of the

Monumental Public Service District has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 17<sup>th</sup> day of Dec., 2003

Monumental Public Service District

(SEAL)

By

James L. Wainick

Attest:

Title

Chairman

Title

SECRETARY



# **CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as Chairman of the Monumental Public Service District

hereby certify that the Board of Directors of such Association is composed of

3 members, of whom 2 constituting a quorum, were present at a meeting thereof duly called and held on the 17th day of December, 2003; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of February, 24th, 2006, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 24<sup>th</sup> day of Feb., 2006

James L. Warrick  
Title Chairman





WATER OR WASTE SYSTEM GRANT AGREEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

COPY

THIS AGREEMENT dated February 24th 2006 between

Monumental Public Service District

a public corporation organized and operating under

Chapter 16, Article 13A, West Virginia Code

*(Authorizing Statute)*

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 763,300 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 682,300 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 682,300 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 81,000 or 10.61% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 10.61% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.



B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, adopted by resolution dated \_\_\_\_\_, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.



3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

**[Revision 1, 04/17/1998]**

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

**This Grant Agreement covers the following described real property (use continuation sheets as necessary).**

**Approximately 8,450 LF of four inch, 10,760 LF of three inch, and 3,400 LF of two inch PVC pipe, 11 gate valves, and 39 service connections and meter set ups. The project also includes ladder safety cages installed on five water tanks and radio activated recorder controls, as well as all necessary appurtenances to serve approximately 39 additional customers.**

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

**[Revision 1, 04/17/1998]**

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.



2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.





(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

**This Grant Agreement covers the following described equipment (use continuation sheets as necessary).**

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.







R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back'' Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1. 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility'' means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$81,000.00, which it will advance to Grantee to meet not to exceed 10.61% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.



### Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Chairman

---

and attested and its corporate seal affixed by its duly authorized

Secretary

---

Attest:

---

By: Patrick R. Richardson

(Title) Secretary

By: James L. Warnick

(Title) Chairman

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: JH D. Curb

Rural Development Specialist  
(Title)





MONUMENTAL PUBLIC SERVICE DISTRICT

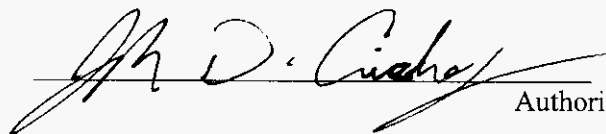
Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

RECEIPT FOR BOND

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 22nd day of February, 2006, at Fairmont, West Virginia, the undersigned received for the Purchaser the single, fully registered Monumental Public Service District Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), No. AR-1, in the principal amount of \$682,300 (the "Bonds"), dated the date hereof, bearing interest at the rate of 4.50% per annum, payable in monthly installments as stated in the Bonds. The Bonds represent the entire above-captioned Bond issue.
2. At the time of such receipt, the Bonds had been executed and sealed by the designated officials of the Public Service Board of Monumental Public Service District (the "Issuer").
3. At the time of such receipt, there was paid to the Issuer the sum of \$66,700, being a portion of the principal amount of the Bonds. Further advances of the balance of the principal amount of the Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 24th day of February, 2006.



Authorized Representative

**SPECIMEN**

**COPY**

**MONUMENTAL PUBLIC SERVICE DISTRICT**

**WATER REVENUE BONDS, SERIES 2006 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

**\$682,300**

No. AR-1

Date: February 24, 2006

FOR VALUE RECEIVED, MONUMENTAL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of SIX HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED DOLLARS (\$682,300), plus interest on the unpaid principal balance at the rate of 4.50% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$3,132, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment

of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower,

as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted February 22, 2006, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1978 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 25, 1979, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$89,000, AND DESCRIBED IN THE PRIOR RESOLUTION.

IN WITNESS WHEREOF, MONUMENTAL PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

MONUMENTAL PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

By: James J. Smith  
Its: Chairman, Public Service Board  
Route 2, Box 196 B  
Fairmont, West Virginia 26554

ATTEST:

By: Patricia L. Anderson  
Its: Secretary, Public Service Board

RECORD OF ADVANCES

AMOUNT		DATE		AMOUNT		DATE	
(1)	\$66,700	February 24, 2006	(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				\$			

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:

\_\_\_\_\_

02/11/06  
615570.00001

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
MONUMENTAL PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS, SERIES 2006 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

<u>Bond No.</u>	<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary of Registrar</u>
AR-1	February 24, 2006	United States of America	<i>Patrick Richardson</i>

02/11/06  
615570.00001





Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

[www.steptoe-johnson.com](http://www.steptoe-johnson.com)

Writer's Contact Information

February 24, 2006

Monumental Public Service District  
Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

Monumental Public Service District  
Fairmont, West Virginia

United States Department of Agriculture,  
Rural Utilities Service  
Elkins, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Monumental Public Service District in Marion and Monongalia Counties, West Virginia (the "Issuer"), of its \$682,300 Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution of the Issuer duly adopted February 22, 2006 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia with corporate power to adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Bonds on a parity with the Issuer's Water Revenue Bonds, Series 1978, dated April 25, 1979, issued in the original aggregate principal amount of \$89,000 (the "Prior Bonds").

4. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

5. The Bonds have not been issued on the basis that the interest thereon is or will be excluded from gross income for federal income tax purposes; therefore, the interest on the Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Bonds are, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Bonds is exempt from personal income taxes and corporate net 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 Resolution and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

A handwritten signature in black ink that reads "Steptoe & Johnson PLLC". The signature is written in a cursive, flowing style.

STEPTOE & JOHNSON PLLC



**Smith, McMunn & Glover, PLLC**  
Attorneys at Law

G. Thomas Smith  
D. Andrew McMunn  
David C. Glover

516 West Main Street  
Clarksburg, WV 26301

Telephone: (304) 326-6000  
Facsimile: (304) 326-4000  
Writer's Email: [davidcglover@aol.com](mailto:davidcglover@aol.com)

February 24, 2006

Monumental Public Service District  
Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

Monumental Public Service District  
Fairmont, West Virginia

United States Department of Agriculture,  
Rural Utilities Service  
Elkins, West Virginia

Steptoe & Johnson PLLC  
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to Monumental Public Service District, a public service district in Marion and Monongalia Counties, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a resolution of the Issuer duly adopted February 22, 2006 (the "Resolution"), other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds") and documents and orders of The County Commission of Marion County and the County Commission of Monongalia County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used in the Resolution and not otherwise defined herein shall have the same meanings as defined in the Resolution when used herein.

We are of the opinion that:

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

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

3. The Resolution has been duly adopted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Resolution, 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.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the due creation and valid existence of the Issuer, the issuance of the Bonds, the design, acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from The County Commission of Marion and Monongalia Counties 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 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.

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds or the Resolution, the design, 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 therefor.

Very truly yours,

A handwritten signature in cursive script, appearing to read "David C. Smith".

Smith, McMunn & Glover, PLLC

MONUMENTAL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT AND USE OF PROCEEDS
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
11. CONTRACTORS' INSURANCE, ETC.
12. CONNECTIONS, ETC.
13. MANAGEMENT
14. CONSENT OF PRIOR BONDHOLDERS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Monumental Public Service District in Marion and Monongalia Counties, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, acting for the Issuer and in its name, hereby state and certify in connection with the Monumental Public Service District Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), No. AR-1, dated the date hereof, fully registered, in the principal amount of \$682,300 and bearing interest at a rate of 4.50% per annum (the "Bonds" or the "Series 2006 A Bonds"), as follows:

1. AUTHORIZATION AND AWARD OF BONDS: *The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions of the Purchaser, dated December 17, 2003, and all amendments thereto, and as appears in Section 7.03 of*

the Resolution of the Issuer duly adopted February 22, 2006, authorizing issuance of the Bonds (the "Resolution" or "Bond Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Resolution when used herein. The Bonds are being issued on this date to finance a portion of the cost of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Bonds or receipt of any grant monies committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any monies or security therefor; nor questioning the existence, powers or proceedings of the Issuer or its Public Service Board (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the System or the acquisition and construction of the Project, a portion of the cost of which is being financed out of the proceeds of sale of the Bonds; nor questioning the rates and charges provided for services of the System.

3. **GOVERNMENTAL APPROVALS:** All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents 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 were solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Orders of the Public Service Commission of West Virginia entered on May 11, 2005, and December 23, 2005, in Case No. 05-0070-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates and charges. The time for appeal of said Final Order has expired prior to the date hereof without appeal.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment, being the Water Revenue Bonds, Series 1978, dated April 25, 1979, issued in the original aggregate principal amount of \$89,000 ("Series 1978 Bonds" or the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which

rank prior to or on a parity with the Series 2006 A Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

5. SIGNATURES, ETC.: The undersigned Chairman and Secretary did, for the Issuer on the date of delivery of the Bonds on the date hereof, officially execute and seal the Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected, appointed, qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer.

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

Bond Resolution

Series 1978 Bond Resolution

Consent of USDA, RUS to Issuance of Parity Bonds

Public Service Commission Orders

United States Department of Agriculture Loan Resolution

United States Department of Agriculture Grant Agreement

County Commission Orders Creating the District and Enlarging the Boundaries and PSC Order Approving Enlargement

County Commission Orders of Appointment of Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Meeting to Adopt Bond Resolution

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution

United States Department of Agriculture Letter of Conditions and Closing Instructions

Receipt of Depository Bank

Water Purchase Contract With City of Fairmont

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Monumental Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Marion and Monongalia Counties and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
James L. Warnick	10/1/2000	9/30/2006
Ned F. Poe	10/1/2002	9/30/2008
Patrick Richardson	10/1/2004	9/30/2010

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2006 are as follows:

Chairman	-	James L. Warnick
Secretary	-	Patrick Richardson
Treasurer	-	Ned F. Poe

The duly appointed and acting Counsel to the Issuer is Smith, McMunn & Glover PLLC, of Clarksburg, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Bonds were delivered to the Purchaser at Fairmont, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time of such delivery the Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Resolution.



At the time of delivery of the Bonds, the amount of \$66,700 was received by the undersigned Chairman, being a portion of the principal amount of Bonds. Further advances of the balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

The Bonds are dated the date hereof, and interest on advances of the principal thereof at a rate of 4.50% per annum is payable from the date of each such advance.

The Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

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

10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 acquisition, construction, operation and financing of the Project and the System were authorized or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly 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.

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser, as amended, and the Bond Resolution.

12. CONNECTIONS, ETC.: The Issuer will serve at least 830 bona fide full-time users upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by such Purchaser.

14. CONSENT OF PRIOR BONDHOLDERS: The Issuer has obtained consent from the Prior Bondholder to issue the Bonds on a parity with the Prior Bonds.

15. 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 Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. 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.

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

17. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of MONUMENTAL PUBLIC  
SERVICE DISTRICT on this 24nd day of February, 2006.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

James L. Hainick

Chairman

Patrick Richardson

Secretary

David C. Allen

Attorney for Issuer

02/11/06  
615570.00001

MONUMENTAL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Richard Malone, Registered Professional Engineer, West Virginia License No. 9625, of George E. Pigott & Associates, Inc., Fairmont, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Monumental Public Service District (the "Issuer"), to be acquired and constructed primarily in Marion County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned bonds of the Issuer.

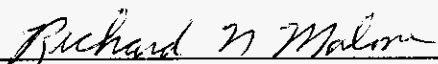
I further certify that the Project will, to the best of my knowledge, information and belief, be constructed in general accordance with plans and specifications prepared by my firm and that the System and the Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify, to the best of my knowledge, information and belief, that the Project is adequate for the purpose for which it was designed and that all known necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

WITNESS my signature on this 22nd day of February, 2006.

GEORGE E. PIGOTT & ASSOCIATES, INC.

[SEAL]

  
Richard Malone, P.E.  
West Virginia License No. 9625

AT A REGULAR SESSION OF THE COUNTY COURT OF MARION  
COUNTY, WEST VIRGINIA, HELD AT THE COURT OF SAID  
COUNTY, FRIDAY, AUGUST 28, 1964  
IN RE: ORDER CREATING PUBLIC SERVICE DISTRICT FOR WATER SUPPLY  
SERVICES TO BE CALLED MONUMENTAL PUBLIC SERVICE DISTRICT.

On this 28th day of August, 1964, came a Committee composed  
of BURIS E. ROBERTS, JAMES STRAIGHT and various other interested  
persons, and RODERICK A. DEVIDSON, Attorney for the petitioners,  
and this Proceeding came on to be heard.

Thereupon, upon the petitions and the motion for the crea-  
tion of a public service district for water services as provided  
for in Article 13-A of Chapter 16 of the Code of the State of  
West Virginia heretofore filed, the said Committee, by Counsel,  
informed the Court that there are no incorporated towns or  
cities lying within the boundaries of the said Public Service  
District and moved the Court for the creation of a Public  
Service District situated in FAIRMONT DISTRICT OF MARION  
COUNTY W. VA. AND INCLUDING THE COMMUNITY OF MONUMENTAL,  
VIRGINIA, which area is more particularly bounded and described  
as follows:-

Embracing that area situate in Fairmont District described  
as follows:

Beginning at a point in Buffalo Creek at the mouth of Ices  
Run and running up Buffalo Creek to the center of the Fairmont  
and Fairview Pike at the center of covered bridge; thence up  
Buffalo Creek at the mouth of Falls Run; thence up Falls Run  
with the meanders thereof and with the ridge dividing the  
waters of Moody Run and Finches Run to the top of the ridge;  
thence continuing with said ridge to a point on top of ridge  
near head waters of Moody Run and Finches Run, which point is  
in the Lincoln District line; thence in a northerly direction  
with Lincoln District line to the Paw Paw District line on the  
hill above the residence of Emory Straight; thence with the Paw  
Paw District line out the ridge to the head of Pole Cat Hollow;  
thence with the meanders of Pole Cat Hollow and the Fairmont  
Independent District line to the mouth of Pole Cat Hollow at  
Buffalo Creek; thence up Buffalo Creek with its meanders, to  
the place of beginning. The said District being shown outlined  
in red on the map attached here to and made a part here of.

Thereupon, the petitioners filed certified copies of a  
notice published in the Fairmont Times and the West Virginian,  
two newspapers of general circulation in the area, which notic-

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And now came the said Committee, and directed the Court's attention to their motion in writing, for an order of the Court appointing three capable and discreet persons as Board Members to take charge of the operation of the proposed Public Service District, and conduct and manage the same in the manner provided by law, and moved for a hearing on said motion. Whereupon, the Court heard further evidence adduced by Petitioners, by witnesses who were first duly sworn, according to law.

Upon consideration whereof the Court is of opinion that the petition heretofore filed contains the names of 101 property owners and legal voters and residents of the proposed District and that the said Public Service District for water services in said above described area should be created. It is therefore ORDERED, ADJUDGED AND DECREED that the said Public Service District be and the same is hereby created. It is further ordered that the name of the said District be called "MONUMENTAL PUBLIC SERVICE DISTRICT".

It is further ordered and adjudged and decreed that BURIS E. ROBERTS, JAMES STRAIGHT AND ROBERT TOOTHMAN be and the same are hereby appointed Board Members with terms as follows: SIX years, FOUR years and TWO years, respectively, the terms to run from the date hereof. It is further ordered that the said Board Members are to take charge of the same in the manner provided by law. All of which is accordingly ordered and adjudged.

Enter this 26th day of August, 1964.

\_\_\_\_\_  
CLYDE J. WRIGHT

County Commissioners

of  
Marion County,  
West Virginia

\_\_\_\_\_  
John L. Gill

\_\_\_\_\_  
JOHN GILL

\_\_\_\_\_  
John M. Onderko  
\_\_\_\_\_  
JOHN ONDERKO

A True copy from the record

Attest: Paul E. Dennis Clerk

✓

IN THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA

✓

ORDER ENLARGING THE BOUNDARY LINES OF  
MONUMENTAL PUBLIC SERVICE DISTRICT

I

WHEREAS, Monumental Public Service District has shown that the only practical method of serving the Plum Run Area with water is for Monumental Public Service District to serve them as a part of its current expansion program, and

II

WHEREAS, through their Counsel, the parties are familiar with the provisions of Article 13-A-2 of Chapter 16 of the Code of West Virginia providing for the establishment of a public service districts for water services and for the enlargement of districts to include additional areas, and

III

WHEREAS, pursuant to the provisions of the aforesaid article, the MONUMENTAL PUBLIC SERVICE DISTRICT proposes the ENLARGEMENT OF THE SAID MONUMENTAL PUBLIC SERVICE DISTRICT AREA to include the area described on the map and description filed herein and adjacent areas, and

IV

WHEREAS, the Petitioners moved the Commission to enlarge the boundaries of MONUMENTAL PUBLIC SERVICE DISTRICT, AND the Commission having inspected a map prepared by Warren Badger, Engineer, and a description of the proposed NEW boundaries of Monumental Public Service District.

NOW, THEREFORE, it is ORDERED and DECREED that the boundaries of Monumental Public Service District are revised and enlarged to include the Plum Run Community as shown on the map attached hereto and made a part hereto and more particularly bounded and described as follows:

Beginning at a point on Buffalo Creek approximately 1/2 mile east of Rachel and thence following a ridge line of divide 1/2 mile west of Plum Run to the Headwaters of Plum Run; thence to the existing boundary line of Monumental Public Service District; thence with the said line to the place of beginning including the Plum Run Community and adjacent areas.

Dated, signed and entered this 4 day of January, 1977.

COMMISSIONERS OF  
MARION COUNTY,  
WEST VIRGINIA.

Wally Hill  
James Barrows  
Raymond O. Ruppel



LEGEND  
● WATER STORAGE TANK  
■ PUMP HOUSE  
□ PUMP (S)  
\* AIR BELL VALVE  
▲ END PIPE SIZE

APPROVED

MONUMENTAL ROAD  
1:50,000  
SCALE 1:50,000





IN THE COUNTY COMMISSION OF MONONGALIA COUNTY, WEST VIRGINIA

**ORDER ENLARGING THE BOUNDARY LINES OF  
MONUMENTAL PUBLIC SERVICE DISTRICT**

**I.**

WHEREAS, Monumental Public Service District has shown that the only practical method of serving the Robinson Run Area of Monongalia County with water is for Monumental Public Service District to serve the area as a part of the District's current expansion project, and

**II.**

WHEREAS, through their Counsel, the parties are familiar with the provisions of Article 13A-2 of Chapter 16 of the Code of West Virginia providing for the establishment of a public service district for water services and for the enlargement of public service districts to include additional areas, and

**III.**

WHEREAS, pursuant to the provisions of the aforesaid article, Monumental Public Service District proposes the ENLARGEMENT OF MONUMENTAL PUBLIC SERVICE DISTRICT'S BOUNDARIES to include the area along Robinson Run as depicted on the map and description filed herein and adjacent areas, and

**IV.**

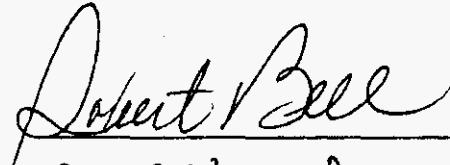
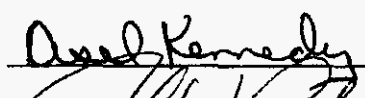

WHEREAS, Monumental Public Service District moved the Commission to enlarge the boundaries of MONUMENTAL PUBLIC SERVICE DISTRICT, and the Commission having inspected a System Map approved by the West Virginia Department of Health and a description of the proposed NEW boundaries of Monumental Public Service District.

NOW, THEREFORE, it is ORDERED and DECREED that the boundaries of Monumental Public Service District are revised and enlarged to include the Robinson Run Area as shown on the map attached hereto and made a part hereto and bounded and described as follows:

Beginning at the boundary line between Marion County and Monongalia County and extending along a 0.63 mile section of Monongalia County Route 27 over 4 in the Robinson Run area in Clay District, Monongalia County.

Dated, signed and entered this 16<sup>th</sup> day of November, 2005.

COMMISSIONERS OF  
MONONGALIA COUNTY,  
WEST VIRGINIA.

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

051166a1j121405.wpd

Entered: December 14, 2005

**FINAL**

1-3-06

CASE NO. 05-1166-PWD-PC

MONONGALIA COUNTY COMMISSION

Petition for consent and approval of a  
boundary enlargement for Monumental  
Public Service District.

RECOMMENDED DECISION

On August 8, 2005, the Monongalia County Commission filed a petition for approval of its order of August 3, 2005, approving a boundary enlargement of the Monumental Public Service District (District), pursuant to West Virginia Code §16-13A-2. The boundary change is needed to allow the District, which is located in Marion County, to provide water service to six (6) customers who live in Monongalia County.

On August 25, 2005, Staff Attorney Lisa Wansley-Layne filed an Initial Joint Staff Memorandum to which was attached the Initial Internal Memorandum prepared by Mr. Pete Lopez, Utilities Analyst II, Water and Wastewater Division. Staff stated that, on August 3, 2005, the Monongalia County Commission ordered that the boundaries of the District be revised and enlarged to include the Robinson Run area of Monongalia County where six customers need potable water from the District. There is no other available source to provide potable water to this area. Staff noted that the District is also situated in Marion County, therefore, requiring the approval of the Marion County Commission. Staff listed additional information needed to further process this case and that data requests/interrogatories would be filed to obtain the required documents and recommended that the matter be referred to the Division of Administrative Law Judges.

Also on August 25, 2005, Commission Staff filed its first set of interrogatories, data requests or requests for information upon Monongalia County Commission.

By Order dated September 8, 2005, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before March 6, 2006.

On September 13, 2005, the District filed its responses to Staff's first set of interrogatories.

On November 1, 2005, Staff Attorney Wansley-Layne filed a Joint Staff Memorandum, to which was attached the Interim Internal Memorandum prepared by Mr. Lopez. Staff pointed out that the info

supplied by the Monongalia County Commission was not sufficient the requirements of Code §16-13A-2 for proper notice and, therefore the Monongalia County Commission has agreed to rectify the notice problem by re-advertising (Class I publication) and posting notices of a new date to address the District's boundary expansion. Staff indicate after these acts have been completed, and the appropriate affidavit of publication and posting; the County Commission meeting minutes; and the order adopting the proposed boundary expansion are submitted for review, Staff will issue its final recommendation in this case.

By Order dated November 8, 2005, the Monongalia County Commission was ordered to file with the Public Service Commission the affidavit of publication and posting for Monongalia and Marion Counties, as well as the County Commission's meeting minutes and order adopting the boundary expansion, on or before November 30, 2005.

On November 30, 2005, the Monongalia County Commission furnished the information requested by Staff in its data requests dated August 25, 2005.

On December 8, 2005, Lisa Wansley-Layne, Staff Attorney, issued a Final Joint Staff Memorandum to which was attached the Final Joint Staff Memorandum prepared by Mr. Pete Lopez, Utilities Analyst II, Water and Wastewater Division. On November 30, 2005, the Monongalia County Commission had filed numerous documents pursuant to Staff's request. Staff noted that the Public Service Commission now is not required to hold a public hearing in boundary enlargement cases (see West Virginia Code §16-13A-2, amendment effective July 8, 2005). No protests were filed in response to the November 1, 2005, and November 15, 2005, publication in The Times West Virginian and The Dominion Post. Staff recommended that the boundary enlargement be approved without a Public Service Commission hearing.

#### FINDINGS OF FACT

1. The Monongalia County Commission filed a petition for a boundary enlargement of its order of August 3, 2005, approving a boundary enlargement of the Monumental Public Service District, pursuant to West Virginia Code §16-13A-2, to include six (6) customers who reside in the Robinson District of Monongalia County. (See, petition filed August 8, 2005).

2. Commission Staff filed its first set of interrogatory requests or requests for information upon the Monongalia County Commission. (See data requests filed August 25, 2005).

3. The Monongalia County Commission was directed to file with the Public Service Commission the information requested by Commission Staff in its data requests on or before November 30, 2005. (See, Order dated November 8, 2005).

4. The Monongalia County Commission filed the information requested by Staff. (See letter filed November 30, 2005, and attachments).

5. Commission Staff recommended that, since the Public Service Commission is not required to hold a public hearing in boundary enlargement cases under West Virginia Code §16-13A-2, as amended effective July 8, 2005, this case be approved without a Public Service Commission hearing. (See Final Joint Staff Memorandum filed December 8, 2005).

#### CONCLUSIONS OF LAW

1. West Virginia Code §16-13A-2 has been amended effective July 8, 2005, whereby the Public Service Commission is no longer required to hold a public hearing in boundary enlargement cases.

2. Since Commission Staff has recommended that the boundary enlargement in this case be approved without a Public Service Commission hearing, the petition of the Monongalia County Commission filed on August 8, 2005, should be approved without need for a Public Service Commission hearing.

#### ORDER

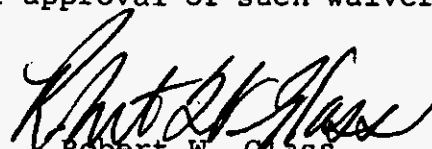
IT IS, THEREFORE, ORDERED that the petition of the Monongalia County Commission filed on August 8, 2005, for approval of its order of August 3, 2005, approving a boundary enlargement of the Monumental Public Service District be, and the same hereby is, approved.

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

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

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

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

  
Robert W. Glass  
Administrative Law Judge

RWG:mal  
051166aa.wpd

STATE OF WEST VIRGINIA,

COUNTY OF MARION, TO-WIT:

I, JANICE COSCO, CLERK AND RECORDER of the County Commission of Marion County, in the State of West Virginia, do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in Police & Fiscal  
59  
60  
Book No. 61 at Page 632  
466  
268 of said record.

Given under my hand and Seal of said Office this 12th day of July,  
2005.

Janice Cosco  
JANICE COSCO, Clerk of Marion County Commission

Paula Nystrom  
Deputy

**MARION COUNTY COMMISSION****PAGE 4**

Commissioner Starcher moved that the County Commission appoint **Melvin Douglas Wright** to the **Marion County Planning Commission** for a term that will **expire January 1, 2002**. Commissioner Sago seconded. President Enos concurred.

Commissioner Starcher moved that the County Commission appoint **Theodore Ken Yoneda** to the **Marion County Planning Commission** for a term that will **expire January 1, 2003**. Commissioner Sago seconded. President Enos concurred.

Commissioner Starcher moved that the County Commission **reappoint Charles D. Fawcett and Thomas D. Ireland** to the **Marion County Planning Commission** for a term that will **expire January 1, 2004**. Commissioner Sago seconded. President Enos concurred.

Commissioner Starcher moved that the County Commission appoint **Leisha A. Elliott, Kevin Wilfong, and Robert E. Schmidt, Jr.** to the **Marion County Planning Commission** for a term that will **expire January 1, 2004**.

On **September 13, 2000**, the announcement was made that the County Commission was accepting applications for a **board member** on the **Ice's Run Public Service District**. An application has been received for this appointment from **Jack Leeper**.

Commissioner Starcher moved that **Jack Leeper** be appointed to the **Ice's Run Public Service District** for a term that will **expire December 1, 2002**. Commissioner Sago seconded. President Enos concurred.

On **October 4, 2000**, the announcement was made that the County Commission was accepting applications for a **board member** on the **Monumental Public Service District**. Two applications have been received from **James Warnick** and **Jack Talkington**.

Commissioner Sago moved that the County Commission **reappoint James Lewis Warnick** to the **Monumental Public Service District** for a term that will **expire September 30, 2006**. Commissioner Starcher seconded. President Enos concurred. ✓

There being no further business to come before the County Commission, it is ordered that this Commission do now recess until **Friday, January 19, 2001, at 10:00 a.m.**

  
President



**MARION COUNTY COMMISSION****Page 3**

*judges responded by saying they will not be holding court on either of these days. The Circuit Clerk and Sheriff are in favor of being closed on Christmas Eve, but would like to remain open for New Years Eve. The County Clerk, Assessor, and Prosecuting Attorney are in favor of being closed Christmas Eve and working half a day on New Years Eve.*

*Commissioner Sago noted that the half a day off is not on the regular calendar. He then offered a motion the County Commission order the Courthouse to be closed totally on Christmas Eve and opened a full day on New Years Eve. Commissioner Starcher seconded. President Enos concurred.*

*Joe DeBellis was present before the County Commission requesting a copy of the Certificate of Sale from the Sheriff's Land Sale. Mr. DeBellis lost his original copy and now needs to receive an additional copy from the County Clerk's Office.*

*Pursuant to the request of Joe Debellis and also with the concurrence of the Chief Tax Deputy, Commissioner Sago moved a new Certificate of Sale be issued to Joe DeBellis from the tax sale of November 2001. Commissioner Starcher seconded. President Enos concurred.*

*The County Commission has received notification from the City of Fairmont that they would like Dolly Cross to be reappointed to the Marion County Parks and Recreation Commission for a new three-year term ending December 31, 2005.*

*Commissioner Starcher moved with the recommendation from the City of Fairmont, Dolly Cross be reappointed to the Marion County Parks and Recreation Commission for a three-year term ending December 31, 2005. Commissioner Sago seconded. President Enos concurred.*

*The County Commission has received notification from the Monumental Public Service District that the term of Ned Poe expired on September 30, 2002. The County Commission announced on September 11, 2002, that applications would be taken for a thirty-day period.*

*Commissioner Sago moved the County Commission appoint Ned Poe to the Monumental Public Service District Board for a new six-year term. Commissioner Starcher seconded. President Enos concurred.*

*For the record, the County Commission has received the Audit report from the Paw Paw Route 19 Public Service District for the Fiscal Year ending June 30, 2002.*

*For the record, the County Commission has received notification from the West Virginia Department of Transportation Division of Highways that the Director of the Maintenance Division and the State Highway Engineer*

**MARION COUNTY COMMISSION****Page 3**

**Carolyn Ledsome, Director of the Marion County Central Communications, was present before the County Commission with the Motorola Six-month Maintenance Contract for the 911-phone equipment. This renewal is handled on a six-month basis because the 911 equipment will be replaced when the move to the new building is made. The renewal of the Motorola Maintenance Contract requires the signature of the Commission President.**

**Commissioner Starcher moved the Commission President be authorized to sign the renewal of the Motorola Maintenance Contract for the 911 phone system. Commissioner Parks seconded. President Sago concurred.**

**The County Commission had announced an opening on the Fairmont-Marion County Regional Airport Authority for a new term that will expire October 1, 2007. One application has been received from James L. Pitrolo.**

**Commissioner Starcher moved that the County Commission appoint James L. Pitrolo to the Fairmont-Marion County Regional Airport Authority, effective through October 1, 2007. Commissioner Parks seconded. President Sago concurred.**

**The County Commission had announced an opening on the Kingmill Public Service District Sewer Board for a term that will expire October 1, 2010. Two applications have been received: William L. Fleming and Bob Schmidt, Jr.**

**Commissioner Starcher moved that the County Commission appoint Bob Schmidt, Jr., to the Kingmill Public Service District Sewer Board for a term that will expire October 1, 2010. Commissioner Parks seconded. President Sago concurred.**

**The County Commission had announced an opening on the Monumental Public Service District Water Board for a term that will expire September 30 2010. Three applications have been received: Patrick R. Richardson, Dave Smallwood, and Clifton G. Swiger.**

**Commissioner Starcher moved that the County Commission appoint Patrick R. Richardson to the Monumental Public service District Water Board for a term that will expire September 30, 2010.** ✓

**A request has been received from Marianne Moran, Director of the Convention and Visitors Bureau of Marion County, that the County Commission reimburse the CVB \$258.39 for an error made to their Worker's Compensation account. Sharon Shaffer, County Administrator informed the County Commission this requires a Budget Revision.**

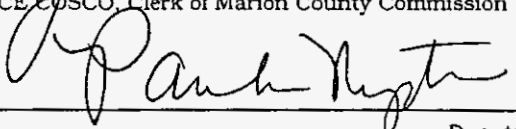
STATE OF WEST VIRGINIA,

COUNTY OF MARION, TO-WIT:

I, JANICE COSCO, CLERK AND RECORDER of the County Commission of Marion  
County, in the State of West Virginia, do hereby certify that the foregoing writing is a true  
and accurate copy as appears of record in my office in Official Oaths  
133  
258  
Book No. 12 at Page 298 of said record.

Given under my hand and Seal of said Office this 12th day of July,  
2005.

  
\_\_\_\_\_  
JANICE COSCO, Clerk of Marion County Commission

  
\_\_\_\_\_  
Deputy

RON COOPER CO

## STATE OF WEST VIRGINIA,

Marion County, set:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
aforesaid, personally appeared CHARLES PIERCY, who has been  
duly appointed to the office of Kingmill Valley PSD and took and  
subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, Charles Piercy, do solemnly swear that I will support the  
Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
solemnly swear that I will faithfully and impartially perform the duties of the office of  
Member of the Kingmill Valley Public Service District  
(Term to expire: Pctpner ;. 2008)

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

/s/ Charles Piercy

Subscribed and sworn to before me, Janice Cosco, Clerk & Recorder,  
Marion County Commission in and for said County this 13th  
day of December, 19 2002

NOTARY PUBLIC

JANICE COSCO

Commission Expires 19

## STATE OF WEST VIRGINIA,

Marion County, set:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
aforesaid, personally appeared NED F. POE, who has been  
duly appointed to the office of Monumental P.S.D. and took and  
subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, NED F. POE, do solemnly swear that I will support the  
Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
solemnly swear that I will faithfully and impartially perform the duties of the office of  
Member of the Monumental Public Service District Board  
Term to Expire September 30, 2008

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

RON COOPER CO.

## STATE OF WEST VIRGINIA,

Marion County, set:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
aforesaid, personally appeared Patrick Randal Richardson, who has been  
duly appointed PSD Water Board to the office of PSD Water Board and took and  
subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, Patrick Randal Richardson, do solemnly swear that I will support the  
Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
solemnly swear that I will faithfully and impartially perform the duties of the office of Member of the Monumental Public Service District Water Board  
Term to expire: September 30, 2010

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

/s/ Patrick Randal Richardson  
Subscribed and sworn to before me Janice Cosco, Clerk & Recorder,  
Marion County Commission in and for said County this 12th  
day of October, 19 2004

NOTARY PUBLIC

Janice CoscoCommission Expires 19 BY: Constance Ganaway

## STATE OF WEST VIRGINIA,

Marion County, set:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
aforesaid, personally appeared Robert K. Riley, who has been  
duly appointed PSD Board to the office of PSD Board and took and  
subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, Robert K. Riley, do solemnly swear that I will support the  
Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
solemnly swear that I will faithfully and impartially perform the duties of the office of Member of the Whitehall Public Service District Board  
Term to expire: September 1, 2008

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

COUNTY OF MARION, TO-WIT:

Given under my hand and Seal of said Office this 19 day of July,

JANICE COSCO, Clerk of Marion County Commission

Deputy

RON COOPER CO.

## STATE OF WEST VIRGINIA,

Marion County, sct:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
 aforesaid, personally appeared LEISHA A. ELLIOTT, who has been  
 duly appointed to the office of Marion Co. Planning Comm. and took and  
 subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, LEISHA A. ELLIOTT, do solemnly swear that I will support the  
 Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
 solemnly swear that I will faithfully and impartially perform the duties of the office of  
Member of the Marion County Planning Commission  
Term will expire January 1, 2002

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

/s/ Leisha Elliott

Subscribed and sworn to before me, Janice Cosco, Clerk & Recorder,  
Marion County Commission in and for said County this 19th  
 day of January, 19 2001

NOTARY PUBLIC

/a/ JANICE COSCO

Commission Expires 19

## STATE OF WEST VIRGINIA,

Marion County, sct:

Before me, Janice Cosco, Clerk of the Commission of the County and State  
 aforesaid, personally appeared JAMES LEWIS WARNICK, who has been  
 duly appointed to the office of Monumental PSD and took and  
 subscribed the following:

## STATE OF WEST VIRGINIA,

County of Marion, To-wit:

I, JAMES LEWIS WARNICK, do solemnly swear that I will support the  
 Constitution of the United States, and the Constitution of the State of West Virginia, and I further  
 solemnly swear that I will faithfully and impartially perform the duties of the office of  
Member of the Monumental Public Service District

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

/s/ James L. Warnick

Subscribed and sworn to before me, Janice Cosco, Clerk & Recorder,  
Marion County Commission in and for said County this 19th  
 day of February, 19 2001

NOTARY PUBLIC

JANICE COSCO

Commission Expires 19 BY: Kimberly K. Niggemyer, Deputy Clerk

## RULES OF PROCEDURE

### MONUMENTAL PUBLIC SERVICE DISTRICT

#### ARTICLE I

##### NAME AND PLACE OF BUSINESS

Section 1. Name: Monumental Public Service District (the "District")

Section 2. The principal office of the District will be located Route 2 Box 219K, Fairmont, Marion County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Monumental Public Service District.

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

The District is organized exclusively for the purpose 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 (the "Board") of the District shall be those persons appointed by The County Commission of Marion 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 Board resign or otherwise become legally disqualified to serve as a member of the 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 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 Board.



## ARTICLE IV

### MEETINGS OF THE PUBLIC SERVICE BOARD

**Section 1.** The members of the Board of the District shall hold regular monthly meetings on the last Thursday of each month at 7:00 p.m. at the District's office or at such day, hour and location as the members shall determine from time to time. If the day stated should fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairman or by a quorum of the Board.

**Section 2.** At any meeting of the Board of the District, 2 members shall constitute a quorum. Each member of the 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 special 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 2 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.

**Section 4.** At the regular meetings of the Board, the following shall be the order of business:

1. Roll call.
2. Reading and approval of the Minutes of the previous meeting.
3. Bills and communications.
4. Reports of the Secretary and Treasurer.
5. Reports of committees.
6. Unfinished business.
7. Adjournment.

**Section 5.** Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the date, time, place and agenda of all regularly scheduled meetings of the Board, and the date, time, place, purpose and agenda of all special meetings of the Board, shall be made available, in advance, to the public and the new media as follows:

A. **Regular Meetings.** A notice will be posted by the Secretary of the Board at the front door of the place fixed for the regular meetings of the Board concerning the date, time, place and tentative agenda

for the holding of regularly scheduled meetings at least 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has occurred.

B. Special Meetings. A notice shall be posted by the Secretary of the Board at the front door of the place fixed for any special meetings of the Board at least 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held except in the event of an emergency requiring immediate official action. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has occurred.

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

MONUMENTAL PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL MEETING

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

1. [Insert description of agenda items].

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_, \_\_\_\_\_

D. Notice to any news media which requests such notices or regularly attends such meetings may be given by mailing or telecopying a copy of such notice to the address or fax number furnished in writing to the District by such news media.

## ARTICLE V

### OFFICERS

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

Section 2. The officers of the 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 Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected as hereinabove provided.

## ARTICLE VI

### DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the 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. All resolutions shall be in writing and shall be copied in minutes of the meetings of the Board, and the voting on all questions coming before the Board shall be by roll call, and the Ayes and Nays shall be entered upon the minutes of such meeting.

Section 5. 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 voting 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 has been included in the written notice calling such meeting.

## ARTICLE VII

### AMENDMENTS TO RULES OF PROCEDURE

**Let the Rules of Procedure show that ARTICLE 1V; MEETINGS OF THE PUBLIC SERVICE BOARD be amended to: The members of the Board of the District shall hold regular monthly meetings on the last Wednesday of each month at 4:00 p.m. at the District's office or at such day, hour and location as the members shall determine from time to time. If the day stated should fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairman or by a quorum of the Board.**



**Patrick Richardson**  
**Secretary**



**James L. Warnick**  
**Chairman**



**Ned F. Poe**  
**Treasurer**

STATE OF WEST VIRGINIA,

COUNTY OF MARION, to-wit:

I, Pat Richardson, do hereby certify that I am the duly qualified and acting Secretary of the Public Service Board of the Monumental Public Service District.

I further certify that the above and foregoing is a true and correct copy of the Rules of Procedure of the Public Service Board of the Monumental Public Service District, Marion County, West Virginia, adopted on May 31, 2005, and which remain in full force and effect with no changes, insertions, amendments or modifications having been made thereto since their date of adoption.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of said Public Service District, this 31<sup>st</sup> day of May, 2005.

  
Secretary

(SEAL)

# PUBLISHER'S CERTIFICATE

VS.

010748

February 8

## NOTICE OF PUBLIC HEARING OF THE PUBLIC SERVICE BOARD OF MONUMENTAL PUBLIC SERVICE DISTRICT TO ADOPT BOND RESOLUTION

A special meeting of the Public Service Board of the Monumental Public Service District (the "PSD") will be held to consider and adopt the following entitled Resolution, and to take such other action as necessary in relation thereto, on Wednesday, February 22, 2006, at 10:00 a.m., prevailing time, at the Monumental Methodist Church which is off of WV Route 21, Marion County, West Virginia, and at such meeting the Board shall consider adopt such Resolution entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF MONUMENTAL PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF THE SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

The above-described title of the Resolution describes generally the contents thereof and the purpose of the Bonds contemplated thereby. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of (i) acquisition and construction of certain additions, betterments, improvements and extensions to the existing public waterworks system of the District and (ii) paying costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the District.

At the meeting, the Board intends to adopt the Resolution and take such other actions as may be necessary in furtherance of the Project and the financing contemplated by the Resolution. Such meeting is open to the public.

Dated: February 8, 2006.

James Warnick  
Chairman

STATE OF WEST VIRGINIA  
COUNTY OF MONONGALIA

I, James Matuga Advertising Manager of THE  
DOMINION POST, a newspaper of general  
circulation published in the City of Morgantown,  
County and State aforesaid, do hereby certify that  
the annexed

Legal Notice

was published in the said DOMINION POST once a week  
for 1 successive weeks commencing on the  
8th day of Feb., 2006 and ending on the  
8th day of Feb., 2006

The publisher's fee for said publication is \$ 72.67

Given under my hand this 8th day of Feb.,  
2006

(SEAL)

James Matuga  
Advertising Manager of THE DOMINION POST

Subscribed and sworn to before me this 8th  
day of Feb., 2006

Kathy J. Custer  
Notary Public of Monongalia County, W.Va.

My commission expires on the 13th day of April,  
2014



OFFICIAL SEAL  
NOTARY PUBLIC, STATE OF WEST VIRGINIA  
KATHY J. CUSTER  
469 WESTWOOD STREET  
STAR CITY, WV 26505  
MY COMMISSION EXPIRES APRIL 13, 2014

VS.

Publisher's  
Certificate of  
Advertisements in

THE DOMINION  
**Post**  
®

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104281 244 2011 04/12  
104281 244 2011 04/12



## JANUARY 2006 MINUTES

The regular meeting of the Monumental Public Service District was held January 25, 2006 in the Fellowship Hall of the Monumental United Methodist Church. Those attending were Pat Richardson, Ned Poe, Eileen Heldreth, Jim Warnick, Raymond Foley, Dorothy & Wayne Badger and Jr. Waugh.

The minutes were read, discussed and approved.

A. J. Beafore of the City of Fairmont has not contacted Ned about the 4" meter and meter locks that we wanted.

Mr. Bleigh turned in a \$26,850.00 estimate from Jenkins Excavating to the County Commission to dig a water line to Bleigh's property and his neighbors. The County Commission said that it was way to high and to find another estimate.

The PSC rate increase for Monumental PSD was put in the Dominion Post and Times West Virginian in January 2006.

All three contractors for the Robinson Run Project were sent notices that their bids had been accepted and we should go to closure on the February 22, 2005.

The McCutcheons still object to the PSC stating that they were dropping charges against us. The McCutcheons wrote to the PSC and to Monumental PSD asking that the charges be reinstated.

David Price has his meter in but he has not paid for the extra 360 feet of pipe he bought from us at .63 per foot. Ned will talk to him about this matter.

Get Connected, which helps people who cannot pay their bills find help, wants the Districts to pay 1.50 per customer. We cannot afford this and the PSC says no contributions of any kind can be paid out of the District's money.

Our next meeting will be 2/22/06 at 9:30am. The newspaper will have to be notified of this change. We are going to closure for the Robinson Run Project at 10:00am and have to have our regular meeting first.

Acct. #720 Virginia Moore Estate: We were worried about no heat in this house and the water still on; but the daughter says she is the executrix and that heat is in the house. I told her to think about pulling the meter as she could have a break and we wouldn't know it from one monthly meter reading to the next. She said she would think about it.

This being the first meeting of the new year, the Board was reorganized. James Warnick is Chairman, Ned Poe is Treasurer and Patrick Richardson is Secretary.

There being no further business, the meeting was duly adjourned.

Respectfully submitted,

Patrick Richardson, Secretary

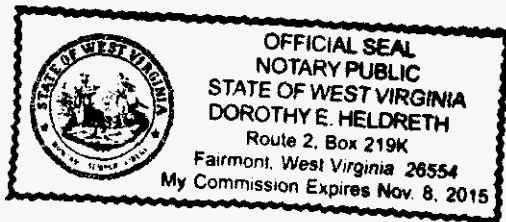
*Patrick Richardson*

James L. Warnick, Chairman

*James L. Warnick*

I, Patrick Richardson, Secretary of Monumental PSD  
certify this to be a true and accepted copy of the  
minutes of our January 25, 2006 meeting.

*Patrick R. Richardson*



2/22/06 Dorothy E. Heldreth

MONUMENTAL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

EXCERPT OF MINUTES OF REGULAR MEETING  
ON ADOPTION OF BOND RESOLUTION AND FIRST DRAW RESOLUTION

The undersigned Secretary of the Public Service Board of Monumental Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

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The Public Service Board of Monumental Public Service District met in regular session, pursuant to notice duly posted, on the 22nd day of February, 2006, at the Monumental United Methodist Church in Fairmont, West Virginia, at the hour of 9:30 a.m.

PRESENT:	James L. Warnick	-	Chairman and Member
	Ned F. Poe	-	Treasurer
	Patrick Richardson	-	Secretary

ABSENT:           None

Mr. Warnick, Chairman, presided, and Mr. Richardson 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.

The Chairman convened a public hearing regarding adoption of the following entitled Bond Resolution at which time the Board entertained comments and protests with respect to the Bond Resolution and the project described therein.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND  
CONSTRUCTION OF CERTAIN PUBLIC SERVICE  
PROPERTIES CONSISTING OF ADDITIONS,  
IMPROVEMENTS AND EXTENSIONS TO THE EXISTING  
WATERWORKS SYSTEM OF MONUMENTAL PUBLIC  
SERVICE DISTRICT, AND THE FINANCING OF THE COST,  
NOT OTHERWISE PROVIDED THEREOF, THROUGH THE



ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$682,300 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

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

Thereupon, the Chairman presented a proposed resolution approving the payment of invoices from the first draw of the proceeds of the Bonds in the amount of \$66,700. Thereupon, on motion duly made by Ned Poe and seconded by Patrick Richardson, it was unanimously ordered that said first draw resolution be approved.

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



CERTIFICATION

I further 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 24th day of February, 2006.



Secretary

02/11/06  
615570.00001





## **#4 Rules of Procedure**



## MINUTES

The regular meeting of the Monumental Public Service District was held May 31, 2005 in the Fellowship Hall of the Monumental United Methodist Church at 4pm. Those attending were Ned Poe, Jim Warnick, Pat Richardson, Eileen Heldreth, Raymond Foley, Dorothy & Wayne Badger, Mr. & Mrs. Danny Ammons, Danny Bainbridge and Shaun Kuhn.

The April minutes were read, discussed and approved.

Frances Billips and Jo Griffith have not paid their court costs as of now.

The booster station cables have been buried.

We have not heard from the City of Fairmont regarding the 4" meter we asked for at Barrackville.

The Toothman Run valve still needs to be cleaned.

John Brasuk fixed his water breaks and said his cows were no longer in the barn.

Ned reported that we have signed up 31 customers at Robinson Run. The Public Service Commission gave final approval for this project. Ned said he had sent 3 items, 2 form letters and our Attorney is sending out his letter to RUS which they had asked for. Tap fees will be collected next week.

Zack from Gary Bennett's Office said that we needed to open two accounts for the Robinson Run Project. We need a construction account and a savings account. A hundred dollars each, will open the two accounts at the BB&T in Barrackville, WV.

The #3 tank is in working order. A rod was put in the top of the tank and then welded shut.

Mr. & Mrs. Ammons, Danny Bainbridge and Shaun Kuhn came to the meeting for information on a trailer court that the Ammons want to develop for 20 or 30 customers. They wanted the rules on flow pressure data at the nearest connection points. We will give the information to George Pigott. They should hear something in about 2 weeks.

Creasy Adams' account is in default at the Magistrate's Office.

Mrs. Heldreth reported that our water bill from the City of Fairmont is down about \$577.00. Hopefully, it will continue to go downward.

Vonda Loudin wants water at Plum Run. She has entered a 5.05 agreement and has paid her share. We need a creek crossing permit and this is holding up the works. She is quite agitated with us and has called the Public Service Commission several times. The creek crossing permit is in the works and we can't do anything until we have it.

Ryan Hitchner of Robinson Run wants water. We do not have him on our list and will check it out.

A motion was made by Ned to accept the Rules of Procedure. The motion was passed and signed. ✓

Wayne wants a full crew when we revamp the main pump house. We have all the parts that we need and will get to it soon.

Meadow Ridge Development, LLC broke our meter well when they were do work for the gas company. We

faxed them a bill and they reimbursed us for the parts and labor at \$267.68.  
There being no further business, the meeting was duly adjourned.

Respectfully submitted,

Pat Richardson  
Secretary

James L. Warnick  
Chairman

07-12-05

I, Ned S. Pae, Treasurer Monumental Public Service  
District, certify this is a true and accurate copy  
of the minutes adopting the Rules of Procedure.  
Ned S. Pae

June 2005  
Treasurer's Report

Revenue Expenses	21,773.00
Revenue Bal.	20.33
O/M Expenses	20,591.16
O/M Bal.	1.59
Now Acct. Expenses	51.70
Now Acct. Bal.	7,657.95
Bond Reserve Acct. Bal.	2,447.30
Repair & Replacement Fund Bal.	10,783.57
Certificate of Deposit Bal.	28,052.85
Money Market Bal.	16,496.47
Construction Account	5,050.00



## MINUTES

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The April minutes were read, discussed and approved.

Frances Billips and Jo Griffith have not paid their court costs as of now.

The booster station cables have been buried.

We have not heard from the City of Fairmont regarding the 4" meter we asked for at Barrackville.

The Toothman Run valve still needs to be cleaned.

John Brasuk fixed his water breaks and said his cows were no longer in the barn.

Ned reported that we have signed up 31 customers at Robinson Run. The Public Service Commission gave *final approval for this project.* Ned said he had sent 3 items, 2 form letters and our Attorney is sending out his letter to RUS which they had asked for. Tap fees will be collected next week.

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Vonda Loudin wants water at Plum Run. *She has entered a 5.05 agreement and has paid her share.* We need a creek crossing permit and this is holding up the works. She is quite agitated with us and has called the Public Service Commission several times. The creek crossing permit is in the works and we can't do anything until we have it.

Ryan Hitchner of Robinson Run wants water. We do not have him on our list and will check it out.

A motion was made by Ned to accept the Rules of Procedure. The motion was passed and signed.

Wayne wants a full crew when we revamp the main pump house. We have all the parts that we need and will get to it soon.

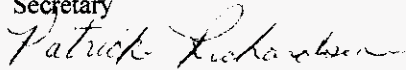
Meadow Ridge Development, LLC broke our meter well when they were do work for the gas company. We

faxed them a bill and they reimbursed us for the parts and labor at \$267.68.

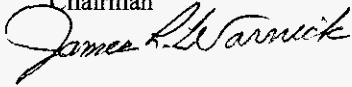
There being no further business, the meeting was duly adjourned.

Respectfully submitted,

Pat Richardson  
Secretary

A handwritten signature in cursive script that reads "Patricia Richardson".

James L. Warnick  
Chairman

A handwritten signature in cursive script that reads "James L. Warnick".



WV MUNICIPAL BOND COMMISSION  
8 Capitol Street  
Suite 500, Terminal Building  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: February 24, 2006

ISSUE: Monumental Public Service District Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)

ADDRESS: Route 2, Box 196B, Fairmont, West Virginia COUNTY: Marion/Monongalia

PURPOSE OF ISSUE: New Money: X  
Refunding: \_\_\_\_\_ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: February 24, 2006 CLOSING DATE: February 24, 2006

ISSUE AMOUNT: \$682,300 RATE: 4.50%

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A PAYING AGENT: Issuer

**BOND**

COUNSEL: Steptoe & Johnson PLLC  
Contact Person: Vincent A. Collins, Esquire  
Phone: (304) 598-8161

**UNDERWRITERS**

COUNSEL: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

CLOSING BANK: First Exchange Bank, Barrackville  
Contact Person: William S. Lemley  
Phone: (304) 333-2217

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

**KNOWLEDGEABLE ISSUER CONTACT**

Contact Person: Eileen Heldreth  
Position: Office Manager  
Phone: (304) 366-7772

**OTHER: United States Department of Agriculture**

Contact Person: Joe Crickenberger  
Function: Rural Development Specialist  
Phone: (304) 636-2158

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
\_\_\_\_\_ Other: \_\_\_\_\_  
Accrued Interest: \$ \_\_\_\_\_  
Capitalized Interest: \$ \_\_\_\_\_  
Reserve Account: \$ \_\_\_\_\_  
Other: \$ \_\_\_\_\_

**REFUNDS & TRANSFERS BY MBC AT CLOSE**

By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
\_\_\_\_\_ IGT \_\_\_\_\_  
To Escrow Trustee: \$ \_\_\_\_\_  
To Issuer: \$ \_\_\_\_\_  
To Cons. Invest. Fund: \$ \_\_\_\_\_  
To Other: \$ \_\_\_\_\_

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will hold the Series 2006 A Bonds Reserve Account. Payments to the Series 2006 A Bonds Reserve Account will commence within 12 months of February 24, 2006.

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**

DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

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



**United States Department of Agriculture  
Rural Development  
Elkins Area Office**

January 17, 2006

Monumental Public Service District  
Attention: Mr. James L. Warnick, Chairman  
Rt. 2, Box 219K  
Fairmont, WV 26554

Dear Chairman Warnick:

This letter is to confirm that the pre-closing meeting for the USDA Rural Utilities Service (RUS) loan on the upcoming Monumental PSD Water System Improvement Project is planned for February 22, 2006, at 10:00 a.m. in the Monumental United Methodist Church Building. A pre-construction conference will follow at 11:00 a.m. The official loan closing date for the PSD's project will be February 24, 2006. The project attorney should attend the pre-closing meeting, and the project accountant should be available for consultation if needed.

Reference is made to the RUS Letter of Conditions dated December 17, 2003, and Amendment No. 1 to the Letter of Conditions dated November 7, 2005. All of the requirements set forth in these letters must be met and the loan must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letters of Conditions have already been addressed. Those items remaining to be satisfied prior to loan closing include:

1. The Certification on the Loan Resolution will be completed at pre-closing.
2. Amendment No. 1 to the Letter of Conditions for the subsequent RUS Grant must be adopted and the proper forms, including the Gant Agreement, will be executed at the pre-closing meeting.

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Randolph Center Building • 1200 Harrison Avenue, Suite 150 • Elkins, West Virginia 26241  
Phone: (304) 636-2158 • Fax: (304) 636-5902 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,  
Washington, DC 20250-9410 or call (800)795-3272(voice) or (202) 720-6382 (TDD).

3. The PSD's attorney will need to provide Form RD 442-22, Opinion of Counsel Relative to Rights-of-Way, showing no exceptions. This form should be dated February 24, 2006. It should include an attached list of all of the rights-of-way needed for the project identifying which ones have been obtained and recorded.
4. The PSD's attorney must furnish a Form RD 1927-10, Final Title Opinion, on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the PSD. The opinion(s) should be dated February 24, 2006, and they should include legal descriptions (and plats if they are available).
5. In accordance with Item 8(c) of the letter of conditions, the PSD's attorney must furnish a narrative opinion addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the PSD was unable to obtain the necessary property rights for any tract or right-of-way, a "right of entry" must be obtained for all properties before the pre-closing.
6. In accordance with the Legal Services Agreement, the project attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project.
7. No later than the date of the pre-closing meeting, the PSD must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 11 of the Letter of Conditions.
8. The permit from the West Virginia Department of Highways must be on hand at the closing. The PSD should proceed to obtain the necessary bond and forward it to the WVDOH with a request that the permit be issued if this has not already been done.
9. All applicable Public Service Commission certificates and/or approvals must be obtained prior to closing, and a copy provided to RUS.
10. The PSD must provide RUS with a current copy of their Workers' Compensation Certificate (if applicable).

11. The Contractors involved in the construction of the project will need to complete Form AD 1048, "Certification Regarding Debarment – Lower Tier Covered Transactions".
12. The first requisition for Rural Development funds should be created and submitted for Rural Development review as soon as possible. Once it is approved, the bond counsel will need to know the amount so that the bond can be completed.
13. Please be prepared to have a properly called meeting of the PSD's Board of Directors during the pre-closing process. Also please bring any official seal that the PSD uses for authenticating documents.
14. Nancy Taylor, our Rural Development Technician, is planning to complete a Civil Rights Compliance Review with the PSD at the pre-closing. This is normally in the format of an informal interview to help her gather the information for the review.

Thank you for doing business with USDA Rural Development. If you have any questions regarding these or any other matters pertaining to your loan and grant, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger  
Rural Development Specialist

CC: State Director  
USDA- Rural Development

Thomas L. Aman, Jr., - Steptoe & Johnson ✓  
Bond Counsel

David C. Glover, - Smith, McMunn & Glover  
Local Project Attorney

George E. Pigott & Associates  
Consulting Engineers

Vince Collins - S & J  
Bond Counsel

Gary K. Bennett  
Certified Public Accountant



**United States Department of Agriculture  
Rural Development  
West Virginia State Office**

November 7, 2005

James L. Warnick, Chairman  
Monumental Public Service District  
Rt. 2, Box 219 K  
Fairmont, WV 26554

COPY

**RE: Amendment No. 1 to  
Letter of Conditions**

Dear Mr. Warnick:

This letter, with Attachment No. 1 amends the letter of conditions dated December 17, 2003 and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an initial RUS loan in the amount of \$682,300 and an RUS grant in the amount of \$81,000, for a total project cost of \$763,300.

Subject to the requirements noted herein, all of the conditions of the December 17, 2003 letter of conditions remain in effect and must be satisfied prior to loan and grant closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)

The conditions referred to above are as follows:

1. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
2. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided (you must also provide us with a copy of the minutes showing the adoption of the forms associated with the original letter of conditions):

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"

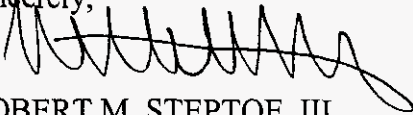
Form RD 1942-46 - "Letter of Intent to Meet Conditions"

Form AD-1049 - "Certification Regarding Drug-Free Workplace"

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the Public Service District still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,



ROBERT M. STEPTOE, III  
State Director

Enclosures

cc: RUS Rural Development Specialist  
Elkins, WV

Gary K. Bennett  
317 Cleveland Ave.  
Fairmont, WV 26554

David C. Glover  
P.O. Box 1716  
Clarksburg, WV 26301

Thomas L. Aman, Jr.  
P.O. Box 2190  
Clarksburg, WV 26302

George E. Pigott & Associates  
2642 David Circle  
Fairmont, WV 26554



Attachment No. 1 to Amended Letter of Conditions  
For: Monumental Public Service District  
Date: November 7, 2005

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>RUS GRANT</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 473,544	\$ 69,650	\$ 543,194
CONST. CONTINGENCY	\$ 27,200		\$ 27,200
LAND & RIGHTS	\$ 2,000		\$ 2,000
LEGAL FEES	\$ 8,000	\$ 2,000	\$ 10,000
BOND COUNSEL	\$ 12,000		\$ 12,000
ACCOUNTING	\$ 3,000		\$ 3,000
ENGINEERING FEES	\$ 91,653		\$ 91,653
Basic - \$49,800			
Insp. - \$37,853			
Special - \$4,000			
INTEREST (2 years @ 4.5%)	\$ 60,000		\$ 60,000
WVDOH (Bond/Inspection)		\$ 9,350	\$ 9,350
PROJECT CONTG.	\$ 4,903		\$ 4,903
<b>TOTAL</b>	<b>\$ 682,300</b>	<b>\$ 81,000</b>	<b>\$ 763,300</b>



United States  
Department of  
Agriculture

Rural  
Development

Federal Building  
75 High Street, Room 320  
Morgantown, WV 26505-7500  
Phone (304) 284-4888  
FAX (304) 284-4892  
TTY/TDD (304) 284-4836

December 17, 2003

James L. Warnick, Chairman  
Monumental Public Service District  
Rt. 2, Box 219 K  
Fairmont, WV 26554

COPY

Dear Mr. Warnick:

This letter, with Attachments 1 through 14 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$682,300, for a total project cost of \$682,300.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for Monumental PSD  
(All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel  
Copies)

Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)  
 Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC  
 Standard Documents on Water and Waste Project with RUS Financial Assistance"  
 Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant  
 Copy)  
 Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and  
 Compliance Supplement"  
 Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance  
 Supplement for OMB Circular A-133 Audits"  
 Attachment No. 11 - Monumental PSD Water Users Agreement (Applicant and  
 Attorney Copies)  
 Attachment No. 12 - Declination Statement (Applicant and Attorney Copies)  
 Attachment No. 13 - RUS Policy regarding Use of Remaining Funds  
 Attachment No. 14 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.75% interest rate and a monthly amortization factor of .00475, which provides for a monthly payment of \$3,241. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of first priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that you will have at least 830 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 31 signed

user agreements and a signed certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing water system.

The enclosed Water Users Agreement (RUS Bulletin 1780-9) will be used. Each user signing an agreement must make a user contribution of \$100. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the PSD should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service. Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.

7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
- a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
  - b. Prior to the advertisement of bids, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. The attached booklets, "Government Auditing Standards (Revised 1994)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$300,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
  - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your

existing system or where the PSD already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

- c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
  - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.
  - e. On the day of loan closing, the PSD's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the PSD has already acquired real property(s) (land or facilities), the PSD's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
  - Railroads
  - State Department of Health
  - Department of Environmental Protection
  - Corps of Engineers
  - Public Land Corporation

10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:

- a. A Certificate of Convenience and Necessity.
- b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
- c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to the largest monthly estimated construction invoice. Once construction is complete, you may decrease the amount of your coverage. The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s). Please note that the cost of the temporary increase in coverage is an eligible project cost.
- d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

- (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
- (2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

## 12. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.

(2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

(1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.



(3) Workers' Compensation - In accordance with applicable State laws.

- c. The contract documents and final plans and specifications must be submitted to RUS for approval.
  - d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.
13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your PSD, over 30 day periods.

The PSD will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The PSD must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Water Purchase Contract - You propose to purchase treated water from the City of Fairmont; therefore, you must enter into a Water Purchase Contract. Form RD 442-30 must be used unless you receive an exception from RUS.
16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"

Form RD 1940-1 - "Request for Obligation of Funds"

RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"

Form RD 400-1 - "Equal Opportunity Agreement"

Form RD 400-4 - "Assurance Agreement"

Form AD 1047 - "Certification Regarding Debarment - Primary"

Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"

FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"

Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)  
 Certification of Compliance  
 Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan docket. All the items listed must be included in the loan docket when it is forwarded to the USDA – Rural Development State Office with a request for loan closing instructions to be issued.
18. Upon receipt of the loan docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 13). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,



JENNY N. PHILLIPS

State Director

Enclosures

cc: Rural Development Specialist  
Elkins, WV

George E. Pigott & Associates  
2642 David Circle  
Fairmont, WV 26554

Gary K. Bennett  
317 Cleveland Ave.  
Fairmont, WV 26554

David C. Glover  
P.O. Box 1716  
Clarksburg, WV 26301

Attachment No.1 to Letter of Conditions  
For: Monumental PSD  
Date: December 17, 2003

<u>PROJECT COST</u>	<u>RUS LOAN</u>		<u>TOTAL</u>
CONSTRUCTION	\$	463,140	\$ 463,140
CONST. CONTINGENCY	\$	32,420	\$ 32,420
LAND & RIGHTS	\$	2,000	\$ 2,000
LEGAL FEES	\$	6,000	\$ 6,000
BOND COUNSEL	\$	12,000	\$ 12,000
ACCOUNTING	\$	2,500	\$ 2,500
ENGINEERING FEES	\$	91,653	\$ 91,653
Basic - \$49,800	\$	-	\$ -
Insp. - \$37,853	\$	-	\$ -
Special - \$4,000	\$	-	\$ -
INTEREST - (2 years @ 4.5%)	\$	58,700	\$ 58,700
ADMINISTRATION	\$	-	\$ -
EXTRA LINES/EQUIPMENT	\$	-	\$ -
PROJECT CONTG.	\$	13,887	\$ 13,887
<b>TOTAL</b>	<b>\$</b>	<b>682,300</b>	<b>\$ 682,300</b>

Rates

Available for general domestic, commercial and industrial service.

First 5,000	_____ gals. @ \$ 5.44	_____ per M gals.
Next 5,000	_____ gals. @ \$ 5.14	_____ per M gals.
Next 10,000	_____ gals. @ \$ 4.85	_____ per M gals.
Next	_____ gals. @ \$	_____ per M gals.
Next	_____ gals. @ \$	_____ per M gals.
Next	_____ gals. @ \$	_____ per M gals.
Next	_____ gals. @ \$	_____ per M gals.
Next	_____ gals. @ \$	_____ per M gals.
Over 20,000	_____ gals. @ \$ 4.55	_____ per M gals.

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4" meter	\$ 8.85	_____ per month
5/8" x 3/4" meter	\$ 5.90	_____ per month (Chesapeake Division)
3/4" meter	\$13.28	_____ per month
1" meter	\$22.13	_____ per month
1 1/2" meter	\$44.25	_____ per month
2" meter	\$70.80	_____ per month
3" meter	\$	_____ per month
4" meter	\$	_____ per month
6" meter	\$	_____ per month
8" meter	\$	_____ per month

The above minimum charges are subject to an additional \$2.49 per thousand gallons used per month.

Minimum Monthly Bill - \$ 16.32 for 3,000 gallons

Minimum Monthly Bill - \$ 13.37 for 3,000 gallons (Chesapeake Division)

Delayed Payment Penalty

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

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$ 100.00

After the start of construction, there shall be a charge of \$ 250.00 for connection to the system.

Reconnection Charge

\$20.00

Attachment No. 1 to Letter of Conditions  
 For: Monumental PSD  
 Date: December 17, 2003

**Monumental PSD - Water Project**  
**USE AND INCOME ANALYSIS**  
**EXISTING SYSTEM AND PROPOSED NEW USERS - PROPOSED RATES**

<b>5/8" METERS - CHESAPEAKE</b>									
Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 3,000	Next 2,000	Next 5,000	Next 10,000	Over 20,000	TOTAL REVENUE
0 - 3000	25	23.70	25	23.70					
3,001 - 5,000	17	66.60	17	51.00	15.60				
5,001-10,000	15	100.70	15	45.00	30.00	25.70			
10,001-20,000	1	13.80	1	3.00	2.00	5.00	3.80		
OVER 20,000	0	0.00	0	0.00	0.00	0.00	0.00		
Monthly Total	58	204.80	58	122.70	47.60	30.70	3.80	0	
Proposed Rates			\$ 5.90	\$ 2.49	\$ 5.44	\$ 5.14	\$ 4.85	\$ 4.55	
Monthly Revenues			\$ 342.20	\$ 305.52	\$ 258.94	\$ 157.80	\$ 18.43	\$ -	\$ 1,082.90

<b>5/8" METERS - ALL OTHERS</b>									
Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 3,000	Next 2,000	Next 5,000	Next 10,000	Over 20,000	TOTAL REVENUE
0 - 3000	273	411.20	273	411.20					
3,001 - 5,000	231	945.80	231	693.00	252.80				
5,001-10,000	225	1501.06	225	675.00	450.00	376.06			
10,001-20,000	39	503.50	39	117.00	78.00	195.00	113.50		
OVER 20,000	3	78.10	3	9.00	6.00	15.00	30.00	18.10	
Monthly Total	771	3439.66	771	1905.20	786.80	586.06	143.50	18.10	
Proposed Rates			\$ 8.85	\$ 2.49	\$ 5.44	\$ 5.14	\$ 4.85	\$ 4.55	
Monthly Revenues			\$ 6,823.35	\$ 4,743.95	\$ 4,280.19	\$ 3,012.35	\$ 695.98	\$ 82.36	\$ 19,638.17

\* (Added 31 Customers at 4,500 gallons per month)

<b>1" METERS</b>									
Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 3,000	Next 2,000	Next 5,000	Next 10,000	Over 20,000	TOTAL REVENUE
0 - 3000	1		1						
3,001 - 5,000									
5,001-10,000									
10,001-20,000									
OVER 20,000									
Monthly Total	1	0	1	0	0	0	0	0	
Proposed Rates			\$ 22.13	\$ 2.49	\$ 5.44	\$ 5.14	\$ 4.85	\$ 4.55	
Monthly Revenues			\$ 22.13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.13

**MONTHLY GRAND TOTAL = \$ 20,743.20**

**\$20,743.20 x 12 MONTHS = \$ 248,918.40**

**ADJUSTMENT FACTOR = 1**

**PROJECTED ANNUAL INCOME = \$ 248,919.00**

**MONUMENTAL PUBLIC SERVICE DISTRICT**  
**OPERATING BUDGET**

OPERATING INCOME		
Metered Sales	\$	248,919
Forfeited Discounts	\$	4,547
Miscellaneous Service	\$	840
Other Water Revenues	\$	657
TOTAL OPERATING INCOME		<u>\$ 254,963</u>
NON OPERATING INCOME		
Interest income	\$	1,272
TOTAL NON OPERATING INCOME		<u>\$ 1,272</u>
TOTAL INCOME		<u>\$ 256,235</u>
EXPENSES		
O & M	\$	189,940
Taxes	\$	-
TOTAL EXPENSES		<u>\$ 189,940</u>
INCOME AVAILABLE FOR D/S (A)		<u>\$ 66,295</u>
DEBT SERVICE		
Existing Bond P & I (B)	\$	18,900
Proposed Bond P & I (B)	\$	38,892
TOTAL DEBT SERVICE		<u>\$ 57,792</u>
DEBT SERVICE RESERVE		
Debt Service Reserve*	\$	5,973 (\$2,083 + 3,890)
TOTAL DEBT SERVICE RESERVE		<u>\$ 5,973</u>
SURPLUS (DEFICIT)		<u><u>\$ 2,530</u></u>
DEBT COVERAGE (A/B)		\$ 1.15

Based on a loan from RUS of \$682,300 @ 4.75% for 38 years

Attachment No. 2 to Letter of Conditions  
 For: Monumental PSD  
 Date: December 17, 2003

**UNITED STATES DEPARTMENT OF AGRICULTURE  
 RURAL UTILITIES SERVICE  
 Water and Waste Processing Checklist**

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		6/5/2003	3
Bulletin 1780-22	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		HAVE	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		HAVE	5
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		HAVE	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		HAVE	1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		HAVE	6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney			5



<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Site Visit		S.I. 1780-2	RUS		HAVE	3
	Processing Conference	1	1780.39(a)	RUS		11/19/2003	3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		11/24/2003	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		7/25/2003	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer		HAVE	8
	Copy of Existing Rate Tariff	2	1780.33	Applicant		HAVE	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3
	Agency Det- ermination on the Availability of "Other Credit" with Docu- mentation	1	1780.7(d)	RUS			3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Documentation on Service Area	1	1780.11	RUS		HAVE	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS			1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Summary	3	1780.41(a)	RUS			1
RD 442-7	Operating Budget	3	1780.33(h)	Applicant			3
CPAP Form	Project Fund Analysis	3	1780.41(a)	RUS			2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collect- ion Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
Bulletin 1780-28	Loan Resolution (Security Agreement)	1	1780.39(f)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Water Users Agreement (Copy)	1	1780.39 (c)(3)	Applicant			5
	Evidence of Users:						
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 442-30	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Water Purchase Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
RD 442-10	Appraisal Report	1	1780.44(g)	RUS			8
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

MONUMENTAL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2006 A  
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of First Exchange Bank, Barrackville, West Virginia (the "Bank"), hereby certify that on February 24, 2006, the Bank received an automated transfer in the amount of \$66,700 to the credit of the Project Construction Account, Account Number 4000438 for the Series 2006 A Bonds.

WITNESS my signature on this 24th day of February, 2006.

FIRST EXCHANGE BANK

By: Scott Lemley Branch  
Its: Authorized Officer Manager



**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 18<sup>th</sup> day of November, 2005.

CASE NO. 05-1493-W-PWD-PC

CITY OF FAIRMONT, a municipal corporation, Marion County,  
and MONUMENTAL PUBLIC SERVICE DISTRICT, a public  
utility, Harrison County.

Petition for consent and approval of a contract between the  
City of Fairmont and Monumental Public Service District  
whereby the City will continue to sell surplus waster to  
the District.

**COMMISSION ORDER**

The Commission grants its consent for two utilities to enter into a water purchase contract.

**FINDINGS OF FACT**

1. On October 7, 2005, the City of Fairmont petitioned for the Commission's consent, pursuant to W. Va. Code § 24-2-12(a), to enter into a water purchase contract with Monumental Public Service District. Fairmont has sold excess water to Monumental since 1966. Petition p. 1.

2. Monumental distributes water to residential and commercial customers at Chesapeake, Davys Run, Moody's Run, Bethel and Monumental, all in Marion County. Petition p. 2.

3. Fairmont and Monumental have renegotiated the terms of their agreement. Petition p. 2. They attached a copy of the revised terms and stated that the revised terms are fair and reasonable, that neither party is given an undue advantage, and that the revised terms do not adversely affect customers of either utility or the public in this state. Id.

4. Fairmont also advised that the Commission approved the general form of the agreement on May 14, 2003, in Fairmont and Montana Water Association, Case Number 03-0159-W-PC. Cover ltr. p. 1.

5. On October 17, 2005, Commission Staff recommended that the Commission grant the request. Initial & Final Joint Staff Memorandum p. 1, and Utilities Division, Initial & Final Staff Memorandum p. 1, attached.

### CONCLUSIONS OF LAW

1. W. Va. Code § 24-2-12 requires a public utility to receive permission from the Commission prior to entering into transactions with other utilities, in pertinent part as follows:

Unless the consent and approval of the public service commission of West Virginia is first obtained:

\* \* \*

(a) No public utility . . . may enter into any contract with any other utility to operate any line or plant of any other utility subject thereto. . .

\* \* \*

The commission may grant its consent in advance . . . . . upon proper showing that the terms and conditions thereof are reasonable and that neither party thereto is given an undue advantage over the other, and [the terms and conditions] do not adversely affect the public in this state.

\* \* \*

[T]he commission . . . shall, if the public will be inconvenienced thereby, enter such order as it may deem proper and as the circumstances may require, attaching thereto such conditions as it may deem proper, consent to the entering into or doing of the things herein provided, without approving the terms and conditions thereof, and thereupon it shall be lawful to do the things provided for in such order.

We find persuasive Fairmont's position that the terms and conditions are reasonable, that neither party is given an undue advantage over the other, that the transaction does not adversely affect the public in this state, and that the transaction likely will have no effect on other utilities. Accordingly, the Commission shall grant its consent for Fairmont and Monumental to enter into this contract, as Staff has recommended.

2. W. Va. Code § 24-2-12 also provides, in pertinent part, as follows:  
The commission shall prescribe such rules and regulations as, in its opinion are necessary for the reasonable enforcement and administration of this section, including the procedure to be followed, the notice to be given of any hearing hereunder, if it deems a hearing necessary . . . .

As the Commission has previously approved the general terms of the revised agreement, and the terms and conditions are reasonable, the Commission shall not require notice or hearing in this matter.

### **ORDER**

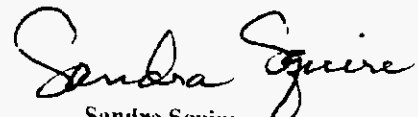
IT IS THEREFORE ORDERED, pursuant to W. Va. Code § 24-2-12(a), and without approving the underlying terms and conditions, the Commission grants its consent for Fairmont and Monumental to enter into a revised water purchase contract, as was attached to the petition.

IT IS FURTHER ORDERED that notice and hearing are waived in this case.

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

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

A True Copy, Teste:

  
Sandra Squire  
Executive Secretary

CLW/sck  
051493c.wpd

THIS AGREEMENT, made this 25 day of October, 2005, by and between the City of Fairmont, a West Virginia municipal corporation, (hereafter City) and the Monumental Public Service District, a public corporation and political subdivision of the State of West Virginia (hereafter Monumental).

WHEREAS, the City owns and operates a water utility, known as the City of Fairmont Water Fund, which produces and sells quality potable filtered water to domestic, commercial, industrial, and resale customers located within the corporate limits of said City and its environs located in Marion County, West Virginia;

WHEREAS, Monumental was created for the purpose of supplying filtered potable water to general domestic and commercial customers in and around the communities of Chesapeake, Davys Run, Moody's Run, Bethel and Monumental situate in Marion County, West Virginia, and Monumental has constructed and maintains a water distribution system for the stated purpose consisting of a metering system, distribution and supply lines and all related facilities;

WHEREAS, Monumental has been purchasing potable filtered water from the City for distribution to its customers pursuant to the terms of that certain Agreement dated July 5, 1966;

WHEREAS, Monumental desires to continue to purchase filtered potable water from the City for the purpose herein stated; and

WHEREAS, the City has undertaken a major renovation of its filtration plant and distribution system and has a surplus of filtered potable water and possesses the capability of supplying and selling filtered potable water to Monumental for distribution to its customers well into the foreseeable future;

WHEREAS, the City desires to sell said water to Monumental;

WHEREAS, by Ordinance duly adopted on the 25 day of October, 2005, the Council for the City of Fairmont did approve the form of this Agreement; and

WHEREAS, by Resolution duly adopted on the 25 day of October, 2005, the Board of Directors of the Monumental Public Service District did approve the form of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH: That for and in consideration of the aforementioned recitals and the terms and conditions hereinafter set forth, the City of Fairmont covenants and agrees to sell filtered potable water to the Monumental Public Service District and Monumental Public Service District covenants and agrees to purchase filtered potable water exclusively from the City of Fairmont as follows:

1. The Agreement shall remain in effect for as long a term as permitted by law and for so long as each of the parties maintains their respective water systems and at least for a period of forty (40) years.

2. All water sold and purchased pursuant to this Agreement shall be compliant with all Federal and State drinking water regulations and standards, including the standards established by the West Virginia Bureau for Public Health.

3. All of the water purchased by Monumental under the terms of this Agreement shall be sold by the City and paid for by Monumental at the rate and under the terms and conditions as set out in P.S.C. Tariff No. 15, CITY OF FAIRMONT RATES, RULES AND REGULATIONS FOR FURNISHING WATER, filed with the Public Service Commission of West Virginia, and issued on July 12, 2005, which establishes the City's rate for resale customers at One and 93/100 Dollars (\$1.930) per 1,000 gallons of water metered; provided however, that it is mutually agreed between

the parties that if at any time subsequent to the effective date of this Agreement, new rates for resale customers are established by or for the City by subsequent ordinance or by order of the Public Service Commission of West Virginia or otherwise, then upon the effective date of any such new rate, the rate herein established and charged Monumental for water shall be modified, altered and changed to reflect any new rate or rates which may be established from time to time.

4. The City shall deliver said water under the provisions of this Agreement and the same shall be sold and delivered to Monumental through the supply lines and the master metering system presently in existence, or such other necessary and convenient supply lines and master metering system which the City and Monumental may from time to time operate and maintain. At all points of master metering, the water to be provided hereunder shall be deemed sold and delivered to Monumental and it shall be responsible for the payment of same and from and after said points, Monumental shall be solely responsible for the handling, care, transportation and distribution of said water and all costs and expenses associated therewith, without any obligation whatsoever on the part of the City. The value of all water lost due to failure or leaks after the point of metering shall not be forgiven or credited by the City and Monumental shall be responsible for payment of same.

5. Monumental shall have no authority or control, whatsoever, over the operation of any portion of the City's facility, including but not limited to its treatment plant, pumping station, distributions system, or the master metering system identified in Paragraph 4 of this Agreement, which at all times shall remain under the exclusive ownership and control of the City, provided that Monumental shall have access to said metering system for the limited purpose of taking readings therefrom. Said right of access shall not be construed and it is not the intent of the parties to provide Monumental with any authority to regulate, repair, replace, reconstruct or alter the metering system

or any portion thereof, without the prior approval, consent and agreement of the City.

6. Monumental shall have full control and exclusive ownership of its distribution system after the point(s) of master metering. Monumental shall, at its sole cost and expense, bear the responsibility for any alterations, replacement, repairs, and maintenance, additions, and/or extensions relating to said distribution system after the point of master metering

7. The City shall notify Monumental as far in advance as is reasonably practicable of any planned interruption or curtailment of the flow of water to Monumental necessitated by the repair or maintenance of the City's system. In the event of an emergency which may cause an interruption or curtailment of the flow of water, the City shall notify Monumental upon becoming aware of such emergency. Monumental shall notify the City as far in advance as is reasonably practicable of any planned unusually large demand for water. In the event of an emergency which may cause an unusually large demand for water, Monumental shall notify the City upon becoming aware of such emergency.

8. It is understood and agreed that during the term of this Agreement, unless the same is otherwise terminated, Monumental shall purchase potable water exclusively from the City and from no other source and Monumental will not otherwise treat water for sale, except under the limited circumstances as hereinafter provided, and the City will use reasonable diligence and care and will endeavor to make delivery of a regular and uninterrupted supply of water sufficient to meet all of the general needs, demand and requirements of Monumental;

In the event that Monumental is confronted with an emergency need for additional water or plans the use of an unusually large amount of water, Monumental shall request that the City meet the additional need and the City, within its sole discretion, may deliver such additional quantities

requested by Monumental; however, the City shall be under no obligation to deliver any additional quantities requested by Monumental. Upon receipt of notification, oral or written, that the City is unable or refuses to meet Monumental's emergency need or the need for an unusually large amount of water, then and only then may Monumental purchase water from another source in addition to the water purchased from the City or treat water and then only to satisfy such unusual or emergency need.

9. The charges to Monumental shall be based upon the metered quantity of water introduced into Monumental's distribution system at any and all of the points of master metering on a monthly basis. Monumental shall be responsible for payment for all water whether non-account or otherwise passing through the master meter(s). The City shall bill Monumental on a monthly basis and Monumental shall remit payment to the City within twenty (20) days after the statement is rendered and delivered to Monumental. Monumental shall be subject to the late payment and other provisions of the City's current tariff, or such other tariff as may be filed with the Public Service Commission of West Virginia from time to time, except to the extent that any such tariff is inconsistent with this Agreement. In the event that Monumental shall remain in default in the payment of any statement for a period of thirty (30) days after same shall become due, the City shall have the right to discontinue supplying water without responsibility or liability to any person, firm or corporation, and may discontinue such service in accordance with the Public Service Commission of West Virginia's Rules and Regulations for the Government of Water Utilities. In addition, the City shall have the right to pursue any and all legal remedies which may be available to it including any remedy for recovery of damages, collection of debts and/or breach of contract.



10. It is understood and agreed that if the City determines, in its sole discretion, that this Agreement is burdensome or impossible of performance for any reason, or that Monumental may, by reason of changes and developments, find that it would be more desirable to establish another source or supply for water, then, in either event, the parties hereto shall have the right to terminate this Agreement. In the event that either party shall desire to terminate this Agreement in accordance with the provisions of this Paragraph, the terminating party shall, on or before the 30<sup>th</sup> day of June of any year during the term of this Agreement, serve written notice of its intention to terminate to the non-terminating party. If such notice is served, this Agreement shall be terminated on the 30th day of June of the year next preceding the service of such notice.

Nothing in this section shall be deemed to affect, limit or impair any other rights of termination provided by law.

11. All water purchased by and delivered to Monumental under the terms of this Agreement, may be used or resold by Monumental for whatever purpose it deems fit and proper in serving its customers, provided that Monumental shall not resell any such water for use by any person, firm or corporation who would otherwise be a customer of the City without the prior written consent of the City.

Monumental's customers shall not be deemed or considered the City's customers for any purpose and no relationship shall be deemed to be created between Monumental and the City other than buyer and seller. Monumental and the City shall not be deemed to be co-partners or co-venturers for any purpose.

12. The West Virginia Public Service Commission's Rules and Regulations for the Government of Water Utilities now, or as hereafter promulgated shall be binding on the parties and shall govern their relationship to the extent that said Rules may apply.

13. At any time during the term of this Agreement, if Monumental defaults in the payment of any statement for water provided and remains in default for a period of thirty (30) days after same shall have become due, in addition to all other remedies the City may have, it may require Monumental to deposit with it a minimum cash deposit to secure the payment for future services provided hereunder in an amount not to exceed 2 and ½ times the average annual water bill of Monumental, as evidenced by an average of the monthly bills for the 12 immediately preceding calendar months. As part of the consideration for this Agreement, the City shall not be required to pay to Monumental any interest upon the amount of the deposit so made and Monumental expressly covenants and agrees to waive the payment of any such interest.

14. Neither this Agreement, nor any interest or claim arising hereunder shall be assignable or transferable by Monumental without the prior written consent of the City, which consent shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon the City and Monumental and their respective successors in interest.

15. It is covenanted and agreed that if Monumental, during the term of this Agreement, shall make an assignment of this Agreement for the benefit of creditors, or shall either voluntarily or involuntarily be adjudicated a bankrupt, or shall suffer a receivership, then, in any such event, this Agreement shall terminate without notice, and the City shall no longer be bound by the terms hereof; provided however, in the event of a default on any loan made to Monumental, the holder of the note, or its guarantor, will have all of the rights that Monumental has under this Agreement.

16. It is covenanted and agreed that the City shall not be liable for any loss, damages, charges, expenses, suits, actions, judgments or results of force majeure by reason of injury to person or property owing to or resulting from any lack of pressure, extraordinary or extreme pressure, failure, shortage, interruption or escape of the flow of water from and after the points of master metering, or for any claim, damage, or injury of any kind or nature arising from, or in any way related (directly or indirectly) to the actions or conduct of Monumental and Monumental shall indemnify, secure and hold harmless the City therefrom. Monumental shall procure and maintain in force during the term of this Agreement, public liability insurance in an amount acceptable to the City with a solvent insurer to protect against claims arising out of the operation of Monumental's system and/or this Agreement, which policy of insurance shall identify the City as an additional insured. Monumental shall provide the City with evidence of such insurance upon demand.

17. Monumental shall establish, implement and govern a cross-connection or backflow control program which identifies, isolates and controls cross-connections to prevent the infiltration or back-flow of contaminants and pollutants into the City's water system resulting from back-siphonage or back- pressure and shall prohibit any and all persons and entities from introducing into the system any contaminant or pollutant of any kind from any source and shall require all commercial, industrial, subdivision and multiple home developments to comply with all pertinent requirements for the prevention of infiltration or back-flow of contaminants or pollutants into the City's system as required by any law, statute, ordinance, rule, or regulation of the City, State of West Virginia or the United States of America or the West Virginia Public Service Commission or any other regulatory agency.

18. In the event that Monumental shall introduce or permit to be introduced or shall negligently introduce or negligently permit to be introduced any pollutant or contaminant into the City's system, Monumental shall immediately notify the City orally of the nature, type, quantity and quality of the pollutant or contaminant and the immediate remedial action to be taken. The oral notice shall be followed by written notice of same. Upon receipt of the oral notice, the City shall orally notify Monumental of the potential impact on the system and advise of any additional necessary remedial action by Monumental. The City's oral instruction shall be followed by written notice of same. In absence of satisfactory remedial action, the City, in its sole discretion, may:

- A. If time permits, obtain a court order requiring Monumental to immediately discontinue such introduction;
- B. Seek remedies which may otherwise be available to the City; or
- C. In an emergency situation, immediately terminate service until the circumstances causing the emergency situation can be abated;

In the event that the City becomes aware of the introduction of any pollutant or contaminant prior to notice from Monumental, the City shall orally notice Monumental of same and Monumental and the City shall respond as aforementioned.

19. Monumental shall provide for testing of its distribution system at a laboratory acceptable to the City or the West Virginia Bureau for Public Health. Tests will be made if requested by the City and/or the West Virginia Bureau for Public Health, to determine Monumental's compliance with all Federal and State safe drinking water standards, and other applicable provisions of this Agreement, or to determine whether problems exist with Monumental's system of facilities. If testing establishes the existence of problems, then the cost of said tests shall be paid by Monumental.

If the tests are requested by the City and the testing fails to establish the existence of any problem, then the cost of said tests shall be paid by the City. Monumental shall also make, at its sole cost and expense, any tests required by any governmental agency having jurisdiction over Monumental's system and facilities. Monumental shall provide a copy of all test results to the City upon demand.

20. General Provisions:

A. Neither this Agreement nor any of these provisions may be released, abandoned, waived, modified or added to except by a subsequent written agreement duly executed on behalf of each of the parties hereto.

B. The failure of any party or parties to enforce at any time any right or privilege under this Agreement shall in no way constitute or be construed as a waiver of that or any other right or privilege under this Agreement, nor shall it affect in any way the validity and full enforceability of this Agreement and each and every provisions thereby. No waiver of any right or privilege under this Agreement shall operate as a waiver of any other breach of that or any other provision of this Agreement, and no waiver of any remedy for any such breach shall operate as a waiver of any other remedy for such breach.

C. This Agreement may be executed in several counterparts, each of which will be deemed to be an original, and not be necessary in making proof of this Agreement to produce or account for more than one of such counterparts.

D. This Agreement is the entire agreement between the parties hereto, and supersedes any prior agreements between the parties hereto, either oral or written.

E. Should any provisions of this Agreement be declared void and unenforceable by any regulatory agency or a court of law, it is the intention of the parties to give full force and effect

to the remaining provisions.

F. All notices given pursuant to this Agreement shall be deemed effective upon mailing by United States certified or registered mail, return receipt requested, to the parties at:

The City of Fairmont  
City County Complex  
200 Jackson Street  
P.O. Box 1428  
Fairmont, WV 26554

Monumental Public Service District  
Route 2, Box 219K  
Fairmont, WV 26554

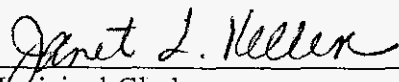
Or, such other address as may be provided in writing to the other party.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed on its behalf by its proper officer duly authorized as of the day and year first above written.

THE CITY OF FAIRMONT

By:   
Its City Manager

Attest:

  
Municipal Clerk

MONUMENTAL PUBLIC SERVICE DISTRICT

By:   
Its Chairperson

Attest:

  
Secretary

ORDINANCE NO. 1326

**AN ORDINANCE OF THE COUNCIL FOR THE CITY OF FAIRMONT APPROVING THAT CERTAIN AGREEMENT BY AND BETWEEN THE CITY OF FAIRMONT AND MONUMENTAL PUBLIC SERVICE DISTRICT, A PUBLIC CORPORATION AND POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA, FOR PURPOSES OF SELLING, FURNISHING AND DELIVERING POTABLE WATER TO SAID PUBLIC SERVICE DISTRICT**

**WHEREAS**, the City of Fairmont, hereinafter City, owns and operates a water utility, known as the City of Fairmont Water Fund, which produces and sells quality potable filtered water to domestic, commercial, industrial, and resale customers located within the corporate limits of said City and its environs located in Marion County, West Virginia; and

**WHEREAS**, Monumental Public Service District was created for the purpose of supplying filtered potable water to general domestic and commercial customers in and around the communities of Chesapeake, Davys Run, Moody's Run, Bethel and Monumental situate in Marion County, West Virginia, and Monumental Public Service District has constructed and maintains a water distribution system for the stated purpose consisting of a master metering system, supply lines, and all related appliances and facilities; and

**WHEREAS**, Monumental Public Service District has since 1966 purchased potable filtered water from the City for distribution to its customers pursuant to the terms of that certain Agreement dated July 5, 1966; and

**WHEREAS**, Monumental Public Service District desires to continue to purchase filtered potable water from the City for the purpose stated and the City desires to sell said water to Monumental Public Service District; and

**WHEREAS**, the City and Monumental Public Service District have negotiated the terms of said purchase and sale, which terms are evidenced by the Agreement attached hereto; and

**WHEREAS**, Council for the City of Fairmont finds that the terms and conditions of said purchase and sale evidenced by said Agreement are fair and reasonable and in the best interest of said City.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FAIRMONT THAT:**

**SECTION 1.** That the Council for the City of Fairmont hereby authorizes and approves of the conditions, provisions and terms of that certain Agreement for the sale of

potable filtered water by the City of Fairmont to Monumental Public Service District, a political corporation and a political subdivision of the State of West Virginia, a copy of said Agreement is attached hereto, incorporated herein and made a part hereof by reference as if fully set out verbatim.

**SECTION 2.** That the City Manager or his designee, upon approval of said Agreement by the Public Service Commission of West Virginia, be and is hereby authorized and empowered to execute said Agreement on behalf of the City of Fairmont.

This Ordinance shall become effective thirty (30) days after adoption.

Passed this the 25th day of October, 2005.

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY CLERK



WE, the undersigned officials of the City of Fairmont, West Virginia, do hereby certify that  
**Ordinance No. 1326:**

**AN ORDINANCE OF THE COUNCIL FOR THE CITY OF FAIRMONT APPROVING  
THAT CERTAIN AGREEMENT BY AND BETWEEN THE CITY OF FAIRMONT AND  
MONUMENTAL PUBLIC SERVICE DISTRICT, A PUBLIC CORPORATION AND  
POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA, FOR PURPOSES OF  
SELLING, FURNISHING AND DELIVERING POTABLE WATER TO SAID PUBLIC  
SERVICE DISTRICT**

was introduced and publicly read in its entirety at the Regular Meeting of Council held October 11, 2005 and was published in the Times-West Virginian on October 17, 2005, pursuant to Charter provisions Section 2.13(d); a public hearing was held on October 25, 2005. There being no request that the proposed Ordinance be read in its entirety for a second time, the Clerk read the title only and copies were available to the public as required by Ordinance No. 499. The Ordinance was duly adopted pursuant to the Charter of the City of Fairmont and West Virginia Code; signed by the undersigned officials and filed in the office of the City Clerk.

Adopted by Council of the City of Fairmont, West Virginia, this the 25<sup>th</sup> day of October, 2005.

ATTEST:

Janet L. Keller  
CITY CLERK

Phil G.  
MAYOR

A TRUE COPY:

Phil G.  
MAYOR, CITY OF FAIRMONT, WEST VIRGINIA

Janet L. Keller  
CLERK, CITY OF FAIRMONT, WEST VIRGINIA

APPROVED AS TO FORM:

\_\_\_\_\_  
ATTORNEY, CITY OF FAIRMONT, WEST VIRGINIA

## MINUTES

The regular meeting of the Monumental Public Service District was held October 20, 2005 in the Fellowship Hall of the Monumental United Methodist Church. Those attending were Ned Poe, Patrick Richardson, James Warnick, Eileen Heldreth, Raymond Foley, A. J. Beafore, Jr. Walls and Mr. Bleigh.

The minutes were read, discussed and approved.

Mr. Beafore, representing the City of Fairmont, brought our new water agreement to be signed by the Secretary and the Chairman. It was signed by the Secretary and the Chairman. Mr. Beafore will send us two copies when they are signed and sealed by the City.

Mr. Beafore said that he had given Dave Sago a work order to change our 2 meters to one four inch meter that we had requested in Barrackville. Ned will follow up on this matter.

Ned told Mr. Bleigh that a Ronald Jenkins from Farmington was interested in digging the ditch for his new water line. He will work up a bid and give it to Mr. Bleigh who will give it to the County Commission. We will get the rights of ways when the ditch digging has been approved.

Joe Crickenberger from USDA said that we could have an \$81,000.00 grant but we needed a line of credit from our bank. Ned is working on this and hopes to have it resolved this week.

There are rumors that we may close this Robinson Run Project on the 8<sup>th</sup> or 15<sup>th</sup> of November. We have not been told anything in writing.

The McCutcheons have filed a formal complaint to the Public Service Commission. We have answered this complaint with a copy to the PSC and to the McCutcheons. The McCutcheons were told of tonight's meeting.

Ricky Humphreys will be sent a bill for raising his meter well for 2 9" resetters and 3 6" extensions for the amount of \$127.79.

We have not heard from Gary McIntosh about moving his meter. He was sent a letter letting him know that the cost would be about \$393.25 on October 5, 2005.

There being no further business, the meeting was duly adjourned.

Respectfully submitted,

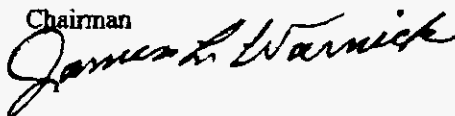
Patrick Richardson

Secretary



James L. Warnick

Chairman



## CERTIFICATION OF MINUTES

I, Patrick Richardson, do certify that this is a true and accurate copy of the October 2005 Minutes of the Monumental Public Service District; adopting the new City of Fairmont Water Agreement.

Sincerely,

Patrick Richardson

A handwritten signature in cursive script that reads "Patrick Richardson".