

MINUTES OF A SPECIAL MEETING OF THE
PUBLIC SERVICE BOARD OF THE MINERAL
WELLS PUBLIC SERVICE DISTRICT HELD ON
MONDAY, JUNE 5, 2000, IN THE CONFERENCE
ROOM OF BOWLES RICE McDAVID GRAFF
AND LOVE LOCATED AT 501 AVERY STREET,
PARKERSBURG, WEST VIRGINIA

The Public Service Board of the Mineral Wells Public Service District met in special session, pursuant to notice duly given, on the 5th day of June, 2000, at the office of Bowles Rice McDavid Graff and Love in Parkersburg, West Virginia, at the hour of 10:00 a.m. Those present were Charles M. Stewart, Chairman; Roy L. Radabaugh, Treasurer; James R. Lett, Secretary; Russell Henderson, United States Department of Agriculture, Rural Utilities Service; Virginia McDonald, Rural Utilities Service; Lou Morgan, Lou Morgan Builders; Dominick P. Cerrone, Assistant Engineer, Cerrone Associates, Inc.; Manning Frymier, P. E. Cerrone Associates, Inc.; Steven R. Hardman, Attorney-At-Law, Bowles Rice McDavid Graff and Love; Dianne Wolfe, Legal Assistant, Bowles Rice McDavid Graff and Love; Margaret Batten, Office Manager, Jerald Spears, Operations manager; and Nellie Radcliff, Office Technician.

Mr. Stewart called the meeting to order at 10:00 a.m. and turned the floor over to Dominick P. Cerrone, Cerrone Associates, Inc., who presented the Agenda for the Office Building/Maintenance Center Preconstruction Conference for the Mineral Wells Public Service District. He reported that the purpose of the meeting was to highlight the importance of some of the provisions of the project specifications and provide an opportunity for more detailed discussion. He discussed the following items:

1. Construction Progress Schedule - This schedule shall state the approximate date for starting and completing the various stages of construction, anticipated payment requests, and Shop Drawing submittals. This schedule shall be accompanied by a schedule of values and must be submitted and approved before the first partial payment estimate can be processed. Mr. Morgan felt that he could have this ready by mid-week.
2. On Site Supervision - The Contractor shall designate the on site superintendent whose responsibility will be to direct the operation and maintain liason with the Engineer's representative. The Contractor's superintendent and the Engineer's representative shall provide the on site leadership required to achieve a successful project. Mr. Morgan or his son, Steve Morgan, will be such representative.
3. Shop Drawings - The Contractor is required to submit Shop Drawings as necessary. These Shop Drawings must be submitted and approved by the Engineer before any work in these areas is started or equipment and material orders placed. Mr. Morgan was agreeable with this procedure.

4. Progress Payment - The Contractor shall submit six (6) signed copies of the monthly estimate to the Engineer. Copies must be prepared and submitted in accordance with Section 19 of the General Conditions (Section 00800) of the Contract Documents within five (5) calendar days after the period closing date. The basis for payments will be the schedule of values developed with the Construction Progress Schedule. The contract allows for payment of stored materials. However, payments shall be limited to only major items.
5. Retainage - Retainage in the amount of 5% (6% for non-resident contractors) of the completed work is required until the work is substantially complete. Retainage on stored materials is also 5% (6% for non-resident contractors). Amounts retained will not be reduced until after substantial completion at which time a release from the WV State Tax Department will be requested. Once this release is received, retainage may be further reduced to an amount sufficient to cover the estimated cost of work still to be completed.
6. Time of Completion - Time of Completion is an important provision of the Contract and needs to be recognized and adhered to. For this reason, scheduling and timely placement of equipment and material orders becomes extremely important.

Performance of each of the contracts are set to begin on June 12, 2000 and are scheduled to be completed on October 10, 2000.
7. Payrolls - Payroll reporting to the Owner is not a requirement of the Rural Utilities Service. However, the contractors still must pay the prevailing wages as outlined in the contract.

Mr. Cerrone went over several other items that needed to be brought to the attention of the contractor. Before final payments are released the following items must be provided.

1. WV State Tax Release - Release from the WV State Tax Department that Contractor has paid the appropriate taxes. Contractor must request that the Owner obtain this release, but not before substantial completion.
2. Certificate and Release - Contractor must certify that all payments have been received in accordance with the Contract Documents and that all monies owed by him to suppliers or subcontractors have been paid.
3. Guarantee - Performance Bond - Per Section 29.1 of the General Conditions, the Contractor shall supply evidence that the Performance Bond shall remain

in full force and effect for the one (1) year warranty period.

4. Punch List - A sufficient amount of the Contractor payment will be withheld in order to cover the cost of any items of a punch list nature. This money will be released upon 100% completion of the punch list items.
5. Attention to Warranty Items - The Contractor will supply the name and phone number of the person responsible for handling all warranty questions.

Mr. Cerrone covered each of the following pages to ensure that the Contractor was familiar with each of the reports. The reports were as follows: Construction Progress Chart, Partial Payment Estimate, Daily Report, Contract Change Order, Certificate of Completion, Certificate and Release, Running Punch List, Complaint Record and the sign that needs to be posted at the job site.

After all the items had been covered on the pre-construction conference, Mr. Radabaugh made a motion granting Mr. Charles Stewart authorization to sign the contract. Mr. Lett seconded the motion. The motion carried. Mr. Stewart signed the contract.

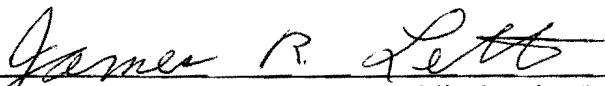
There was a brief discussion concerning the size of block being called for in the specs. The contractor would like to change from a 10" block to either 12" or 8" because of availability. Mr. Cerrone will check which block will be accepted and let the contractor know.

All business having been concluded, Mr. Charles Stewart asked for a motion to adjourn. Mr. Radabaugh made the motion. Mr. Lett seconded the motion. The motion carried. The meeting was adjourned at 11:50 a.m.

CERTIFICATION

I, James R. Lett, Secretary of the Public Service Board of the Mineral Wells Public Service District, a West Virginia corporation, do hereby certify that the foregoing and hereto annexed Minutes are a true and accurate record of the Meeting held at the time and place aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the District on the 15th day of June, 2000.


James R. Lett, Secretary of the Public Service Board of the
Mineral Wells Public Service District, Mineral Wells, West
Virginia