MINUTES OF A PUBLIC MEETING OF THE PUBLIC SERVICE BOARD OF THE MINERAL WELLS PUBLIC SERVICE DISTRICT HELD ON TUESDAY, JUNE 6, 2000, IN THE CAFETERIA OF THE MINERAL WELLS ELEMENTARY SCHOOL LOCATED AT MINERAL WELLS, WEST VIRGINIA

The Public Service Board of the Mineral Wells Public Service District met in a Public session, pursuant to notice duly given, on the 6th day of June, 2000, in the cafeteria of the Mineral Wells Elementary School in Mineral Wells, at 7:00 p.m. There were residents from several areas present.

Mr. Charles Stewart, Chairman of the Board, called the meeting to order, then turned the floor over to Mr. Manning Frymier, P. E., Cerrone Associates, Inc. Mr. Frymier explained to the public that the purpose of the meeting was to inform the public of the new proposed Water Extension Project (copy attached).

There was a question and answer session after the presentation. Mr. Frymier answered questions from the following people:

Evan Frees, Sycamore Run Road; Jack Hoffman, Windsor; Butch Scritchfield, Lee Creek; Blaine Tennant, Lee Creek; Roger Knight, Pond Creek; Frank Hughes; Mike Richards, Morehead Ridge; Ann Jenkins, Sycamore Run Road; Ann Sargent, Central Ridge; Harold Holbert, Pond Creek; Denzil Martin, Windy Ridge; Roger Payne, Buck Run Road; Sharon Somerville, Slate Camp Run Road; Ron Pearson, Slate Camp Run Road; Gary Collins, Slate Camp Run Road; Helen Moore, Slate Camp Run Road; Jason Statler, Gates Ridge; Ronnie Clark, Browns Ridge; Mike Belcher, Morehead Ridge; Vicki Lambert, Slate Creek Road; Tammy Parsons, Sugar Camp Run Road; Marge Thompson, Slate Creek Road; and Glenn Moore, Slate Creek Road.

After the public asked all their questions, Mr. Frymier, turned the floor back to the Board. Mr. Radabaugh made a motion that the meeting be adjourned. Mr. Lett seconded the motion. The motion carried. Mr. Stewart adjourned the meeting at 8:20 p.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

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

MINERAL WELLS PSD
WATER EXTENSION PROJECT
STEPHEN'S FORK - LIMESTONE RIDGE

AREAS SERVED:
(PROJECT SERVES WOOD, WIRT AND JACKSON COUNTIES)

TYGART CREEK / SYCAMORE
STEPHENS FORK
WOLF RUN / SLATE CREEK
GRASSY RUN
POND CREEK
WV 21 (WOOD/WIRT COUNTY)
WV 21 (JACKSON COUNTY)
BALLARD RUN
LIMESTONE RIDGE
TUCKER RIDGE
BOGAL / MOREHEAD RIDGE
GATES RIDGE

PROJECT DETAILS:

52 MILES OF MAINS (8 INCH TO 2 INCH)
ONE (1) BOOSTER STATION (100 GPM)
ONE (1) 123,000 GALLON WATER STORAGE TANK
32 FIRE HYDRANTS
WATER SUPPLY FROM CLAYWOOD PARK PSD WATER TREATMENT PLANT

FINANCIAL INFORMATION:

PROJECT COST $5.5 MILLION
LOANS -
- RURAL UTILITY SERVICE
- WV BUREAU OF PUBLIC HEALTH - DRINKING WATER TREATMENT REVOLVING LOAN FUND

GRANTS -
- GOVERNOR'S OFFICE (SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT)
- RURAL UTILITY SERVICE

WATER CUSTOMER TO BE SERVED - 356 POTENTIAL CUSTOMERS
- 285 (80%) ESTIMATED TO TAKE WATER

USER RATES PROJECTED AT $ 21.75 /MONTH MINIMUM BILL
$ 31.65 /MONTH AVERAGE BILL

POINT PAPER

MINERAL WELLS PUBLIC SERVICE DISTRICT

WATER EXTENSION TO SYCAMORE RUN, STEPHENS FORK & LIMESTONE RIDGE

1.0 PURPOSE AND NEED FOR PROJECT

The proposed project is located in Grant District in Jackson County, Southwest District in Wirt County and Slate, Steele and Tygart Districts in Wood County, West Virginia, and will provide water service to 356 potential customers.

1.1 Project Description

The proposed water extension will include approximately 52 miles of 8", 6" and 2" water lines, one booster station and one storage tank, along with various other appurtenances necessary for the system's operation.

The water lines will follow the existing road rights-of-way for the most part, as most of the customers to be served are along these roads. Layout of the line is determined by physical features such as topography, creeks, roads and property use. Design of the facility will be in conformance with RUS and West Virginia Bureau for Public Health standards.

1.2 Purpose and Need of Project

The purpose of the project is to provide proper and adequate water service to the customers of the area. This area has experienced significant growth in the last fifteen years and the demand for water service is expected to continue to increase in the foreseeable future. Residents of the area currently rely on inadequate and possibly unsafe wells. Some even have to haul in sufficient water for drinking and bathing purposes. The construction of these facilities will provide a safe, adequate supply of water to these residents.

2.0 ALTERNATIVES TO THE PROPOSED PROJECT

In planning and developing the proposed project, all reasonable alternatives were explored that could satisfy the purpose and need of the project. Alternatives considered were:

2.1 Tapping Another Utility - Tapping onto the distribution system of another water utility is not a viable alternative, as no other utility operates a water system in the area.

2.2 Separate Source - Construction of a separate source of water was rejected without serious consideration, as the cost of construction of wells and disinfection would certainly not be cost-effective for the few customers in the proposed service area.

2.3 Extension of Mineral Wells PSD System - Extension of the existing Mineral Wells Public Service District system to serve these new customers is the most reasonable approach to serving these new customers, as indicated by the figures presented in the Preliminary Engineering Report.

2.4 No Action - The "No Action" alternative would obviously result in the continued reliance by residents in the area on low quality wells and cisterns, possibly resulting in health hazards and disease outbreaks, due to contamination of the wells by the flow of raw sewage onto the ground.

3.0 COST AND FINANCING

3.1 The cost and financing plan for the project are as follows:

Project Cost

Construction	$4,228,600
Construction Contingency	422,860
Engineering	590,000
Administrative/Accounting	10,000
Legal & Bond Counsel	40,000
Land & Rights of Way	40,000
Interest During Construction	100,000
Project Contingency	28,540

Financing Plan

RUS Loan	$1,000,000
RUS Grant	750,000
Small Cities Block Grant	1,500,000
Drinking Water Treatment Revolving Fund	2,210,000
	$5,460,000