

MINUTES OF A SPECIAL MEETING OF THE  
PUBLIC SERVICE BOARD OF THE MINERAL  
WELLS PUBLIC SERVICE DISTRICT HELD  
TUESDAY, JUNE 15, 2004 AT 10:00 A.M. IN THE  
DISTRICT'S OFFICE LOCATED AT MINERAL  
WELLS, WEST VIRGINIA

Mr. Charles Stewart, Chairman, called the meeting to order at 10:00 a.m. He asked everyone present to sign the attendance roster. Charles Stewart; Roy L. Radabaugh, Treasurer; James R. Lett, Secretary; Lyle V. Saylor; Wendy Pargot, Wesbanco; Rhonda Revels, Wesbanco; Virginia M. McDonald, USDA- RUS; Megan Harper, Cam Siegrist, Dianne Wolfe and Steven Hardman, Bowles Rice McDavid Graff & Love, PLLC; R. Shayne Brabham, Operations Manager; Margaret Batten, Office Manager; and Nellie Radcliff, Office Clerk, were present.

The purpose of this special meeting was to conduct a pre-closing session of the Sycamore Run, Stephens Fork, Limestone Water Extension Project and approve the inspectors for the same.

Mr. Radabaugh made a motion to accept the proposed inspector(s) as submitted by the engineering firm Cerrone Associates, Inc., for the Sycamore Run, Stephens Fork, Limestone Ridge water extension project. Mr. Lett seconded the motion. The motion passed unanimously.

Mr. Stewart turned the meeting over to Mr. Hardman who introduced Mr. Siegrist. Mr. Siegrist presented a Bond Resolution for approval. Mr. Radabaugh made a motion to accept the Bond Resolution as presented. Mr. Lett seconded the motion. The motion passed unanimously. Mr. Stewart signed the Bond Resolution.

Mr. Siegrist presented the Board with a Supplemental Resolution of the Water Revenue Bonds Series 2004A (West Virginia Infrastructure Fund ) and Series 2004B (United States Department of Agriculture)(copy attached). Mr. Radabaugh made a motion to accept the Supplemental Resolution as presented. Mr. Lett seconded the motion. The motion passed unanimously. The Supplemental Resolution was signed.

Mr. Siegrist presented Addendum No. 1 for Legal Services Agreement with the maximum payable not to exceed the amount of \$12,800.00 to the Board for approval. Mr. Radabaugh made a motion Addendum No. 1 be approved as presented. Mr. Lett seconded the motion. The motion passed unanimously. Addendum No. 1 was signed.

Requisition No. 1 was presented to the Board for approval. Mr. Radabaugh made a motion to approve Requisition No. 1 as presented. Mr. Lett seconded the motion. The motion passed unanimously. Requisition No. 1 was signed.

Mr. Hardman turned the meeting back over to Mr. Stewart.

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After some discussion about the date of the Board's regular meeting, it was apparent that it was necessary to have another meeting during the month. Mr. Radabaugh made a motion that a meeting be held the 2<sup>nd</sup> (second) Thursday of the month. Mr. Lett seconded the motion. The motion passed unanimously.

This concluded the Special Board Meeting. Mr. Radabaugh made a motion for a short recess before going into the Pre-Construction Conference Meeting.

Mr. Stewart called the Pre- Construction Meeting to order at 11:00 a.m. He asked the following new people that was in attendance to sign the attendance roster.

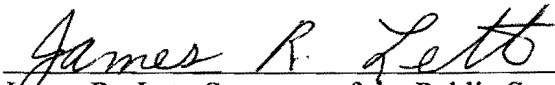
Manning Frymier, P.E. Cerrone Associates, Inc.; Harry Taylor, USDA - Rural Development; John Fox, Mid Atlantic Storage; John Neel, Panhandle Pipe/Hughes Supply, Inc.; Bob Tediou, United Welding, Inc.; Bernie Dunlop, Stonegate Construction Co.; Randall Cole, Cerrone Associates, Inc.; ns Manager; Russell L. Henderson, USDA, Rural Development; Jesse Sheppard, Department of Highways, Utilities; James Sharp, Department of Highways, Utilities; Mitch Thomas, Columbia Gas Transmission; Gene Groves, Columbia Gas Transmission; Doug Moore, Armstrong Telephone; Roger A. Riggs, Armstrong Telephone; Karen Hiehle, Stonegate Construction Co.; Allen Ferrell, United Welding; Jim Ruckman, Cerrone Associates, Inc.; Tim Kelley, Cerrone Associates, Inc.; and Norman Cantley, Allegheny Power were present.

Attached is a copy of the Agenda that was covered in the Pre-Construction Conference meeting.

All business having been completed, Mr. Radabaugh made a motion that the meeting be adjourned. Mr. Lett seconded the motion. The motion passed unanimously. Mr. Stewart adjourned the meeting at 1:45 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.

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

**MINERALS WELLS PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS,  
SERIES 2004A (WEST VIRGINIA INFRASTRUCTURE FUND)  
AND  
SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE)**

**SUPPLEMENTAL RESOLUTION**

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, INTEREST RATES, PRINCIPAL PAYMENT DATES, REDEMPTION PROVISIONS, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2004A (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE WATER REVENUE BONDS, SERIES 2004B (UNITED STATES DEPARTMENT OF AGRICULTURE) OF MINERAL WELLS PUBLIC SERVICE DISTRICT; AUTHORIZING, RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH SERIES 2004A BONDS, THE SALE AND DELIVERY OF SUCH SERIES 2004A BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE SALE AND DELIVERY OF SUCH SERIES 2004B BONDS TO THE UNITED STATES OF AMERICA; DESIGNATING A BONDS REGISTRAR, DEPOSITORY BANK, AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board of Mineral Wells Public Service District (the "Issuer") has duly and officially adopted a Resolution on June 15, 2004 (the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE MINERAL WELLS PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE MINERAL WELLS PUBLIC SERVICE DISTRICT OF NOT MORE THAN FOUR MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS (\$4,530,000) IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS IN TWO SERIES, THE FIRST SERIES TO BE DESIGNATED "WATER REVENUE BONDS, SERIES 2004A (WEST VIRGINIA INFRASTRUCTURE FUND)" IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE

MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$3,750,000), AND THE SECOND SERIES TO BE DESIGNATED "WATER REVENUE BONDS, SERIES 2004B (UNITED STATES DEPARTMENT OF AGRICULTURE)" IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVEN HUNDRED EIGHTY THOUSAND DOLLARS (\$780,000); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY ACTING ON BEHALF OF THE WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL RELATING TO THE SERIES 2004A BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance by the Issuer of not more than Four Million Five Hundred Thirty Dollars (\$4,530,000.00) in aggregate principal amount of water revenue bonds in two series (collectively, the "Series 2004 Bonds"), the first series to be designated Water Revenue Bonds, Series 2004A (West Virginia Infrastructure Fund) in the aggregate principal amount of \$3,750,000 (the "Series 2004A Bonds"), and the second series to be designated Water Revenue Bonds, Series 2004B (United States Department of Agriculture) in the aggregate principal amount of \$780,000 (the "Series 2004B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 2004A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the Authority acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amounts, dates, maturity dates, interest rates, interest and principal payment dates, redemption provisions, sale prices and other terms of the Series 2004 Bonds should be established by a supplemental resolution pertaining to the Series 2004 Bonds; and that other matters relating to the Series 2004 Bonds be herein provided for;

WHEREAS, the Series 2004A Bonds and the Series 2004B Bonds shall be on parity with respect to liens, pledges and sources of and security for payment with respect to each other and with respect to the Prior Bonds;

WHEREAS, the form of the Loan Agreement relating to the Series 2004A Bonds has been presented to the Issuer at this meeting for final ratification and approval;

WHEREAS, the Series 2004A Bonds are proposed to be purchased by the Authority on behalf of the Council pursuant to the Loan Agreement and the Series 2004B Bonds are proposed to be purchased by the Purchaser pursuant to the Letter of Conditions dated February 2, 2001, previously approved by the Issuer; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be finally ratified, approved and entered into by the Issuer, that the exact principal amounts, dates, maturity dates, interest rates, interest and principal payment dates, redemption provisions, sale prices and other terms of the Series 2004 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2004 Bonds be herein provided for;

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

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

A. Water Revenue Bonds, Series 2004A (West Virginia Infrastructure Fund) of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of \$3,750,000. The Series 2004A Bonds shall be dated the date of delivery thereof, shall finally mature on June 1, 2044, shall bear no interest, shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be registered owner of the Series 2004A Bonds, and shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2004A Bonds.

B. Water Revenue Bonds, Series 2004B (United States Department of Agriculture) of the Issuer, originally represented by a single bond, numbered BR-1, in the principal amount of \$780,000. The Series 2004B Bonds shall be dated the date of delivery thereof, shall finally mature on June 17, 2044, shall bear interest at the rate of 4.375% per annum, shall be subject to redemption at any time at the option of the Issuer and otherwise in compliance with the regulations of the Purchaser, as long as the Purchaser shall be registered owner of the Series 2004B Bonds, and shall be payable in monthly installments of interest only for 24 months, commencing July 17, 2004, and thereafter in monthly installments of principal and interest in the amount of \$3,518.00.

Section 2. All other provisions relating to the Series 2004 Bonds and the text of the Series 2004A Bonds and the Series 2004B Bonds shall be as provided in the Resolution.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the form of the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman and the Secretary and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The price of the Series 2004 Bonds shall be 100% of par value, there

being no interest accrued thereon. The proceeds of the Series 2004 Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing, there shall be requisitioned and advanced a portion of the proceeds of the Series 2004A Bonds in the amount of \$289,004 and a portion of the proceeds of the Series 2004B Bonds in the amount of \$77,000, being more than a de minimis amount with respect to each series of 2004 Bonds. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the respective applications to the Council and the Purchaser.

Section 4. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Wheeling, West Virginia, to serve as Registrar for the Series 2004A Bonds (the "Registrar") and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2004A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed. The Issuer does hereby reaffirm the designation of the Issuer as registrar for the Series 2004B Bonds.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2004A Bonds under the Resolution.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Parkersburg, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. The Series 2004A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004A Bonds Sinking Fund as capitalized interest.

Section 8. The Series 2004A Bonds proceeds in the amount of \$-0- shall be deposited in a Series 2004A Bonds Reserve Account.

Section 9. The Series 2004B Bonds proceeds in the amount of \$-0- shall be deposited in a Series 2004B Bonds Reserve Account.

Section 10. The remaining proceeds of the Series 2004A Bonds shall be deposited in the Series 2004A Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, and payment of cost of issuance of the Series 2004A Bonds and the reimbursement of the Issuer of any such Costs paid by the Issuer.

Section 11. The remaining proceeds of the Series 2004B Bonds shall be deposited in the Series 2004B Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, and payment of cost of issuance of the Series 2004B Bonds and the reimbursement of the Issuer of any such Costs paid by the Issuer.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver the Series 2004 Bonds and such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2004 Bonds hereby and by the Resolution approved and provided for, and to affix thereon the seal of the Issuer, as appropriate, to the end that the Series 2004A Bonds may be delivered to the Authority pursuant to the Loan

Agreement and that the Series 2004B Bonds may be delivered to the Purchaser pursuant to the Letter of Conditions on or about June 17, 2004, or as soon thereafter as practicable.

Section 13. The acquisition and construction of the Project and the financing thereof with the proceeds of the Series 2004 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Governing Body hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Resolution held by the Depository Bank in time deposits of the Depository Bank, secured by a pledge of Government Obligations, and therefore the Issuer hereby authorizes and directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits until further directed by the Issuer. Monies in the Series 2004A Bonds Sinking Fund and the Series 2004 Bonds Reserve Accounts shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 15. All contracts relating to the financing, acquisition and construction of the Project are hereby approved and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 15th day of June, 2004.

MINERAL WELLS PUBLIC SERVICE DISTRICT

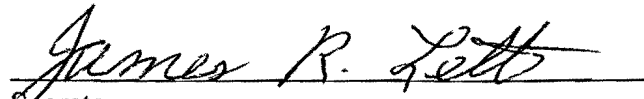
  
Chairman

**CERTIFICATION**

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Mineral Wells Public Service District on the 15th day of June, 2004.

Dated: June 17, 2004.

[SEAL]

  
Secretary