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July 2, 2001

FILED

JUL 9 2001

Public Service Commission
Attn: Dale Roberts, Secretary
200 Madison Street
Jefferson City, MO 65101

Missouri Public
Service Commission

Re: Territorial Agreement between City of Hannibal, Missouri and Public Water
Supply District No. 1 of Ralls County, Missouri

Dear Mr. Roberts:

W0-2002-17

Enclosed herewith you will find an original and eight copies of "Joint Application for Approval of Water Service Territorial Agreement" which we would ask that you submit to the Commission for approval.

I believe that the Commission is already in receipt of the application fee required by 4 CSR 240-51.010(1).

If you have any questions or comments in regard to the enclosed, you may contact me on behalf of the City of Hannibal, or John Briscoe, who represents the Water District, whose telephone numbers are 573-221-0315/573-985-3411.

Thank you for your attention to these matters.

Very truly yours,

JEFFREY H. BLAYLOCK

JHB:jdt

Enclosure

cc: John Briscoe (w/enclosure)

Check for \$400 was
received on 6/13/01
and passed on to
Helen Davis in Internal
Accounting for deposit.
file

BOARD OF PUBLIC WORKS
CITY OF HANNIBAL, MISSOURI 63401
ELECTRIC, WATER & SEWER REVENUE FUND

FARMERS & MERCHANTS BANK
HANNIBAL, MO 63401
80-47-815

CHECK NO. 8318

DATE

06-07-01

CHECK AMOUNT

\$ ***400.00

PAY FOUR HUNDRED AND 00/100 DOLLARS

TO THE
ORDER
OF

DIRECTOR OF REVENUE

copy

CITY CLERK

M.B. Blandenshtel

MAYOR

Greg Hank

⑈008318⑈ ⑆081500477⑆ ⑈7100107001⑈

Security features included. Details on back.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

FILED

JUL 9 2001

IN THE MATTER OF THE APPLICATION)
OF THE CITY OF HANNIBAL, MISSOURI)
AND PUBLIC WATER SUPPLY DISTRICT)
NO. 1 OF RALLS COUNTY, MISSOURI)
FOR APPROVAL OF A TERRITORIAL)
AGREEMENT CONCERNING TERRITORY)
ENCOMPASSING PART OF RALLS)
COUNTY, MISSOURI.)

Missouri Public
Service Commission

Case No.: W0-2002-17

JOINT APPLICATION FOR APPROVAL OF WATER SERVICE
TERRITORIAL AGREEMENT

COME NOW the City of Hannibal, Missouri and Public Water Supply District No. 1 of Ralls County, Missouri, and pursuant to Mo.Rev.Stat. §247.172, state as follows:

1. Applicant City of Hannibal, Missouri (hereinafter referred to as "City") is a constitutional charter city located in Ralls and Marion Counties, Missouri. City owns and operates a water utility. City's principal office, place of business, and mailing address is 320 Broadway, Hannibal, Missouri 63401.

2. Applicant Public Water Supply District No. 1 of Ralls County, Missouri (hereinafter referred to as "District") is a public water supply district organized and pursuant to the provisions of Mo.Rev.Stat. §§247.010-247.220, existing under the laws of the State of Missouri. District's principal office, place of business, and mailing address is 3316 Market Street, Hannibal, Missouri 63401. District supplies water to residents of Ralls and Marion Counties.

3. Correspondence, communications and orders and decisions of the Commission should be sent to:

Jeffrey H. Blaylock
Ford, Parshall & Baker
609 East Walnut Street
P.O. Box 1097
Columbia, MO 65205
573-449-2613
573-875-8154 FAX
email: jblaylock@fpb-law.com
ATTORNEY FOR CITY

John Briscoe
Briscoe, Rodenbaugh & Brannon
423 South Main Street
P.O. Box 446
New London, MO 63459
573-985-3411
573-985-5241 FAX
email: brismob@nemonet.com
ATTORNEY FOR DISTRICT

4. On May 9, 2001, applicants executed a Territorial Agreement (hereinafter referred to as the "Agreement") pursuant to Mo.Rev.Stat. §247.172. A copy of the Agreement, including an index, Attachment A, and Exhibits 1 and 2 are attached to and made a part hereof and incorporated herein by this reference as if set forth fully at length and verbatim.

5. The Agreement specifically designates the boundaries of the water service areas of City and District, and specifically describes the area encompassed by the Territorial Agreement. The Agreement also sets forth any and all powers granted to District by City to operate within the corporate boundaries of the City and any and all powers granted to City to operate within the boundaries of the District.

6. This Agreement will enable applicants to avoid wasteful duplication of services and undue cost to water service customers, and to plan appropriately for the orderly development of water service in the affected areas.

7. The Agreement in no way affects or diminishes the rights and duties of any water supplier not a party to the Agreement to provide service within the boundaries designated in the Agreement.

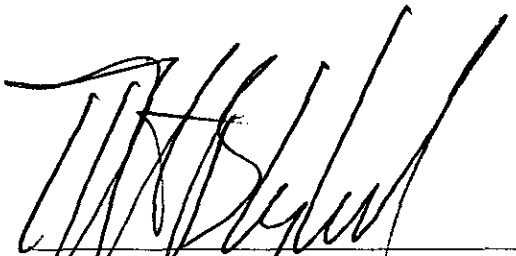
8. Neither applicant has any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involved customer

service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application with the exception of an action which has been filed against the Public Water Supply District of Ralls County, Missouri by the Hannibal Public School District which seeks partition from the District and which action will be rendered moot in the event the Commission approves the Territorial Agreement proposed by the applicants.

9. No annual report or assessment fees are overdue from either applicant.

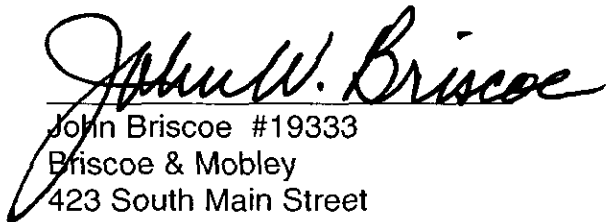
10. There are no persons whose utility service will be changed by the proposed Territorial Agreement.

WHEREFORE, applicants request the Commission, pursuant to Mo.Rev.Stat. §247.172, to approve by report and order the Territorial Agreement entered into between City and District.



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ATTORNEY FOR CITY

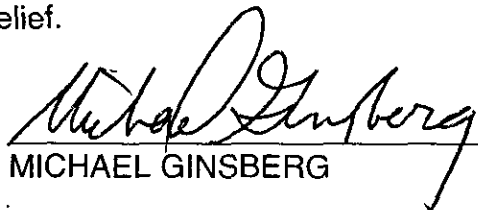


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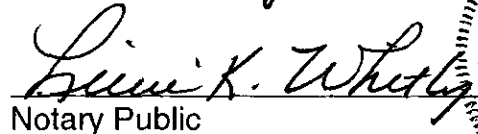
ATTORNEY FOR DISTRICT

STATE OF MISSOURI)
) SS
COUNTY OF RALLS)

Michael Ginsberg, of lawful age, being duly sworn, states that he is the President of applicant Board of Public Works of the City of Hannibal, Missouri, that he has read the above and foregoing application, including exhibits attached thereto, and that the statements made therein and the contents of the exhibits attached thereto are true and correct according to his best information and belief.


MICHAEL GINSBERG

Subscribed and sworn to before me this 20 day of June 2001


Notary Public

My commission expires:

10-17-2004

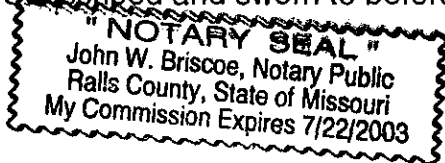


STATE OF MISSOURI)
)SS
COUNTY OF RALLS)

RON HARVEY, of lawful age, being duly sworn, states that he is the Chairman of the Board of Directors of Public Water Supply District No. 1 of Ralls County, Missouri, that he has read the above and foregoing application, including exhibits attached thereto, and that the statements made therein and the contents of the exhibits attached thereto are true and correct according to his best information and belief.

Ron Harvey

Subscribed and sworn to before me this 22ND day of JUNE, 2001.

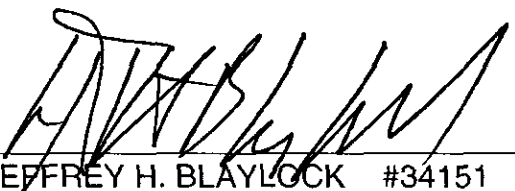


John W. Briscoe
Notary Public

My commission expires:

CERTIFICATE OF MAILING

Now on this 3rd day of July, 2001, the undersigned certifies that a copy of the foregoing Joint Application for Approval of Water Service Territorial Agreement was sent by regular mail, postage prepaid, from the Post Office located in Columbia, Missouri, to the following persons: John Briscoe, Office of the General Counsel, and Office of the Public Counsel.



JEFFREY H. BLAYLOCK #34151
email: jblaylock@fpb-law.com
FORD, PARSHALL & BAKER, L.L.C.
609 East Walnut Street
P.O. Box 1097
Columbia, MO 65205-1097
573-449-2613
573-875-8154 FAX

ATTORNEYS FOR THE CITY OF HANNIBAL,
MISSOURI

INDEX

Territorial Agreement

Attachment A—United States Department of Agriculture Revenue Bonds issued
by Water District

Exhibit 1

Legal description of Public Water Supply District No. 1 of Ralls County,
Missouri

Map showing present boundary of water service areas between City of
Hannibal, Missouri and Public Water Supply District No. 1 of Ralls County,
Missouri

Map showing entire territory of Public Water Supply District No. 1 of Ralls
County, Missouri

Exhibit 2

Map showing present boundary (outlined in yellow) between City of
Hannibal, Missouri and Public Water Supply District No. 1 of Ralls County,
Missouri and boundary of water services area (in orange) between District
and City under terms of agreement

COPY

TERRITORIAL AGREEMENT

This Agreement, made and entered into this 9th day of May, 2001, by and between the Hannibal Board of Public Works of the City of Hannibal, Missouri, a Municipal Corporation (hereinafter called "Board") and Public Water Supply District No. 1 of Ralls County, Missouri (hereinafter called "District"):

WITNESSETH:

WHEREAS, the Board is authorized by law to provide water services within and without the boundaries of the City; and

WHEREAS, the District is authorized by law to provide water services within the boundaries of the District; and

WHEREAS, duplication of facilities in areas directly served by both the Board and the District entails waste of resources and increased consumer costs; and

WHEREAS, Board and District desire to avoid wasteful duplication of services and undue costs to their respective customers.

NOW, therefore, Board and District agree as follows:

1. The current water service area of the District is described by metes and bounds in Exhibit 1 attached hereto and made a part hereof and is shown on the map attached as Exhibit 2 attached hereto and made a part hereof. The City limits of the City as of May 9, 2001 are shown on the map attached hereto as Exhibit 2.

2. The parties wish to enter into a territorial agreement pursuant to the provisions of Mo. Re. Statutes Section 247.172, for the territory described as follows:

Beginning in the Southwest Quarter (SW1/4) of Section Seventeen (17), Township Fifty-Seven (57) North, Range Four (4) West, Marion County, Missouri, on County Road 410 at the Southern boundary of Section Seventeen (17), thence proceed Northerly with the meanderings of said road through Section Eighteen (18) and continuing into Sections Seven (7) and Twelve (12) of Township Fifty-Seven (57) North, Range Five (5) West to Missouri Highway Route 168; thence proceed Southerly with the meanderings of said State Highway to the existing boundary of the Public Water Supply District No. 1 of Ralls County; thence continuing Southerly with the meanderings of said boundary to a point One Thousand Three Hundred (1,300) feet from the North boundary of Section Thirteen (13); thence Westerly Two Thousand Seven Hundred (2,700) feet to the Eastern boundary of Section Fourteen (14); thence Southerly to the North and East boundary of Section Twenty- Three (23) thence Westerly Two Thousand Six Hundred (2,600) feet along the Northern boundary of said

Section Twenty-Three (23); thence Southerly to the point of intersection with U.S. Highway 36; thence Westerly Eight Thousand Seven Hundred (8,700) feet following the meanderings of said Highway 36; thence Southeasterly Eight Hundred (800) feet to the West boundary of Section Twenty-Seven (27); thence Two Thousand Two Hundred (2,200) feet Southerly along said Section line to the intersection of State Route MM; thence Easterly Four Thousand (4,000) feet following the meandering of said State Route MM; thence Southerly following the meanderings of the existing city limits of the City of Hannibal to the point of intersection with Paris Gravel Road; thence Easterly with the meanderings of said road to the point of intersection with the city limits; thence Southerly following the meanderings of the city limits to the Marion County line; thence Southerly into Section Two (2), Township Fifty-six (56) North, Range Five (5) West, Ralls County, Missouri, continuing to follow the meanderings of the city limits to the point of intersection with the existing boundary of the said Public Water Supply District No. 1; thence Easterly following the meanderings of said boundary to the Eastern boundary of Section Six (6); thence proceeding Easterly along the County Line to the Mississippi River.

The former boundary of the Public Water Supply District No. 1 of Ralls County, Missouri, is depicted in "Exhibit 1" and highlighted in yellow. The new District boundary is depicted in "Exhibit 2" and highlighted in orange. Each exhibit is attached hereto and made a part hereof. The parties' rights, duties and obligations with respect to this territory shall be set forth below.

3. The Board and District shall continue to provide water service to their existing customers in accordance with their respective rules and regulations and any applicable state and federal laws, except as otherwise set forth in this Agreement. All customers currently served by the Board and the District as of the date of this Agreement shall remain on the established rate structures of the supplying organization unless a service change is mutually agreed upon in writing and approved by the parties' respective governing boards. The customers of the parties shall not be allowed to switch receiving water from one party to the other party without the prior written consent of both parties. All agreements to transfer customers shall be reduced to writing and approved by the respective governing bodies of both parties prior to the actual transfer of customers.

4. The District and the Board acknowledge that the City may expand the City limits through future annexations beyond the City limits as described in paragraph 1. Regardless of whether or not future annexations occur, the District shall continue to provide water service to its existing customers and shall be entitled to provide water to new customers outside of the area described in paragraph 2 and within its water service area who may be within the City limits as may now or hereafter exist after future annexations. This paragraph shall be in effect for 10 years from the date of this agreement after which time protection of territorial rights will be governed by the laws of the United States and the State of Missouri. Existing District mains and fire hydrant

placement within existing and future areas of annexation by the City will be upgraded by the District to meet the current ISO rating of the City but not less than ISO 4 for fire flow requirements at the cost of the District when the District is financially able to do so; BPW will participate by providing materials and or capital funds up to the sum of \$5000 annually for fire protection upgrades to existing District systems within the City Limits. New water supply, storage, and main capacity to serve new developments within the city limits shall be built to meet the adopted code for the City of Hannibal. The extension of water mains by the District within its water service area within existing and future annexed areas of the City but outside of the territories identified in paragraph 2 above shall be designed in accordance with the District supervised program standards, except that a minimum of six-inch PVC, ductile iron or other piping systems approved by the State of Missouri DNR Supervised Water Main Program and suitable for fire flows and suction pressure shall be installed. Fire flows for such new construction shall be determined by appropriate hydraulic modeling in the design stage and by actual fire flow tests by City fire personnel and District personnel after new mains are placed in service. The District shall furnish, or shall arrange to furnish through its developers and/or customers, fire hydrants and associated tees and valves for such new construction within its water service area within the future annexation City limits at locations approved by the City.

5. In future annexed areas of the City not located in the territory identified in paragraph 2 above the District shall have the right to occupy and use the City public utility easements in the same manner as other utilities.

6. The territory described in paragraph 2 includes territory inside and outside the present City limits. The Board will establish a rate structure for new customers so as to compensate the District for loss of revenue and settlement of the territorial agreement. The compensation will continue until (a) the referenced USDA loans (Attachment A) are retired, or (b) compensation payments as described in paragraph 10 to the district totaling \$1,000,000 are made or (c) the 18th year of the contract has been reached, whichever ever occurs first. On achieving a, b, or c above the payments to the District by the Board will be reduced and terminated by the following formula: the total payments to the District under this contract for the 12 calendar months preceding the triggering event will be calculated. That amount will be divided by 12, and during the first year after the event, the quotient will be paid each month. During the second year, monthly payments will be reduced by one-third of the original amount; during the third year, monthly payments will be reduced by another one-third of the original amount, with payments terminating at the end of the third year after the event. On termination of payments, the territory described in paragraph 2 shall become the water service territory of the Board.

7. The Board shall compensate the District as new growth occurs in the area set forth in paragraph 2. Payments shall begin on 6-11-01 with minimum payments of \$750 per month. The Board will establish three tiered rates for all customers in the area as follows:

Rate 1 will be the established residential rate for the City of Hannibal residents and will apply to all residents in the City limits and connected to the Hannibal system on the date of this Agreement.

Rate 2 shall be established as twice the Hannibal city rate. Rate 2 will be applied to all new customers in the areas defined in paragraph 2 located within the City limits as they now or might hereafter exist.

Rate 3 shall be the District rate. Rate 3 will be charged to all new customers in areas defined in paragraph 2 not within the city limits.

The difference between the collected tiered rate and the published City rate, less the current customer charge will be forwarded to the District by the Board. The Board will be responsible for billing of all customers within the terms of this paragraph. The rate structure defined in this paragraph will terminate as described in paragraph 6 with one exception. If the USDA loans listed in appendix A are retired early by the Board or City of Hannibal, the rate shall remain in effect until the amount of the payments which would have been made to the district but for the early retirement equals the amount of the loan payoff by the Board of Public Works of the City of Hannibal including applicable interest. Upon such termination of payments hereunder, Rate 2 will cease, with all customers on this rate returning to Rate 1; Rate 3 customers, served by the city, will continue at the established outside City limits rates until such time as they may become residents of the City of Hannibal.

8. The Board shall coordinate, approve and assume care and maintenance of all new construction and installations of water systems within the territory defined in paragraph 2 unless mutually agreed upon otherwise and shall be responsible for the billing of all customers of the Board described in paragraph 7.

9. The Veterans Road School, the Hannibal West Industrial Park, and the Hannibal Regional Healthcare Systems properties, which currently include the Hannibal Regional Hospital, and Hannibal Children's Center, and future HRHS holdings on the property contiguous to the hospital and owned by HRHS on the date of this agreement, shall be and remain Rate 1 customers.

10. All current connections to the line running from the road bore to the Hospital and extended to the B & B properties, inside the city limits, will be included in the Rate 2 structure defined above for 10 years from the date of signing this agreement then revert to Rate 1. Presently, these properties include the Hannibal Clinic West (two meters), B & B Subdivision, KSVC Veterinarian Clinic and Fiddlesticks Restaurant. Fountain Court Nursing Home shall be on Rate 3 until such time as it may annex in the city when it would be placed on Rate 2 as if a new customer.

11. On achievement of the conditions identified in paragraph 6, the service area of the District shall not include the areas defined in paragraph 2 irrespective of any

remaining un-annexed territory in said area. Said area shall become part of the Board's service area, regardless of the then existing City limits.

12. This Agreement shall be disclosed in any application process by the District or Board for any loans that could have an effect on any future territorial rights.

13. The terms of this Agreement may not be modified, repealed or changed except by a written document executed by the parties, and approved by their respective governing bodies and the Missouri Public Service Commission.

14. The parties recognize that neither this Agreement nor approval of this Agreement by the Missouri Public Service Commission shall in any way affect or diminish the rights of any water supplier not a party to this Agreement to provide water service within the water service areas set forth in this Agreement. (Section 247.172(5) RSMo.) The parties further recognize that the City may enter into territorial agreements with other water suppliers pertaining to the water service area of the City described herein and that the District may enter into territorial agreements with other water suppliers pertaining to the water service area of the District described herein.

15. Nothing in this Agreement shall be deemed to prohibit any of the parties from prepaying, at any time, any loan now existing or hereinafter incurred by the District.

16. In the event this Agreement is not approved by the US Department of Agriculture and/or the Missouri Public Service Commission within one year after the date of this Agreement, this Agreement shall thereupon automatically become null and void.

17. This Agreement shall be binding upon the parties hereto and their successors and assigns.

BOARD OF PUBLIC WORKS

By: Michael G. Gentry
President

ATTEST:

Robert L. Heiser
Secretary

CITY OF HANNIBAL

By: Greg G. Hark
Mayor

ATTEST:

M. B. Brundage
City Clerk

PUBLIC WATER SUPPLY DISTRICT NO. 1
OF RALLS COUNTY, MISSOURI

By: John A. Sutton
President

ATTEST:

Ronald L. Calley
Secretary

This Contract is approved on behalf of the United States Department of Agriculture this _____ day of _____, 2000.

By: _____

Name: _____

Title: _____

Attachment A
Territorial Agreement

United States Department of Agriculture
Revenue Bonds

Issue No. 1: The Junior Lien Waterworks Revenue Bonds – Series 1998 issued August 25, 1998 in the principal amount of \$240,000.

Issue No. 2: The Junior Lien Waterworks Revenue Bonds – Series 2000 issued March 28, 2000 in the principal amount of \$500,000

The Public Water Supply District No. 1 of Ralls County, Missouri, is divided into five (5) subdistricts of approximately the same area, numbered and bounded as follows, to wit:

SUBDISTRICT NO. 1

Beginning at the intersection of the East line of Section Eighteen (18), Township Fifty-six (56) North, Range Three (3) West, with the main channel of the Mississippi River; thence South along the East line of Section Eighteen (18) and the East line of Section Nineteen (19), to the Southeast corner of said Section Nineteen (19), Township Fifty-six (56) North, Range Three (3) West; thence West a distance of one (1) mile, more or less, to the Northwest corner of Section Thirty (30), Township Fifty-six (56) North, Range Three (3) West; thence South a distance of two (2) miles, more or less, to the Southwest corner of Section Thirty-one (31), Township Fifty-six (56) North, Range Three (3) West; thence West a distance of one (1) mile, more or less, to the Northwest corner of Section One (1), Township Fifty-five (55) North, Range Four (4) West; thence South a distance of two (2) miles, more or less, to the intersection of the West line of said Section One (1), Township Fifty-five (55) North, Range Four (4) West, with the main channel of Salt River; thence in a Southeasterly direction along the main channel of Salt River and following the meanderings thereof to its intersection with the main channel of the Mississippi River; thence in a Northwesterly direction along the main channel of the Mississippi River and following the meanderings thereof to the point of beginning.

SUBDISTRICT NO. 2

Beginning at the intersection of the East line of Section Eighteen (18), Township Fifty-six (56) North, Range Three (3) West, with the center line of the main channel of the Mississippi River; thence in a Northwesterly direction along and with the center line of the main channel of the Mississippi River to the point of intersection of the North line of Fractional Section Thirty-four (34), Township Fifty-seven (57) North, Range Four (4) West of the Fifth Principal Meridian and the center line of the main channel of the Mississippi River; thence West along the said North line of Fractional Section Thirty-four (34) to the West line of said Fractional Section Thirty-four (34); thence South along the said West line of Fractional Section Thirty-four (34) to the center line of said Fractional Section Thirty-four (34); thence East along the center line of Fractional Section Thirty-four (34) to the East line of the Northwest Quarter (NW-1/4) of the Southwest Quarter (SW-1/4) of said Fractional Section Thirty-four (34); thence South along the East line of the Northwest Quarter (NW-1/4) of the Southwest Quarter (SW-1/4) of Fractional Section Thirty-four (34) to the North line of the South Half (S-1/2) of the said Northwest Quarter (NW-1/4) of the Southwest Quarter (SW-1/4) of Fractional Section Thirty-four (34); thence West along the said North line of the South Half (S-1/2) of the Northwest Quarter (NW-1/4) of the Southwest Quarter (SW-1/4) of Fractional Section Thirty-four (34) to a point, said point being a distance of 459.4 feet East of the said West line of Fractional Section Thirty-four (34); thence South and parallel with the said West line of Fractional Section Thirty-four (34) to the Northwesterly line of a County road; thence in a Southwesterly direction along the Northwesterly line of a County road and following the meanderings thereof, to the West line of said Fractional

Section Thirty-four (34), said West line of Fractional Section Thirty-four (34) also being the East line of Section Thirty-three (33), Township Fifty-seven (57) North, Range Four (4) West; thence South along the said East line of Section Thirty-three (33) to the County line between Marion County and Ralls County; thence West along the said County line between Marion County and Ralls County, to the East line of Marble Street; thence North along the said East line of Marble Street and following the meanderings thereof to the center line of said Section Thirty-three (33); thence West along the said center line of Section Thirty-three (33), to the East line of Lot Fourteen (14), in Block Eight (8) of Fairview Subdivision when extended North to intersect with said center line of Section Thirty-three (33); thence South along the said East line of Lot Fourteen (14) and Lot Eleven (11), in Block Eight (8) of Fairview Subdivision to the South line of said Lot Eleven (11); thence West along the said South line of Lot Eleven (11) and Lot Six (6), in Block Eleven (11) of Fairview Subdivision to the West line of said Lot Six (6), thence North along the said West line of Lot Six (6) and Lot Seven (7), in Block Eleven (11) of Fairview Subdivision to the center line of Section Thirty-three (33); thence West along the said center line of Section Thirty-three (33) and Section Thirty-two (32), Township Fifty-seven (57) North, Range Four (4) West, to the center line of said Section Thirty-two (32); thence South along the said center line of Section Thirty-two (32) to the South line of Elzea Avenue when extended East to intersect with the said center line of Section Thirty-two (32); thence West along the said South line of Elzea Avenue to the West right-of-way line of Missouri State Highway Route "O" (Lindell Avenue); thence South along the said West right-of-way line of Missouri State Highway Route "O" to the County line between Ralls County and Marion County; thence West

along said County line to the intersection thereof with the main channel of Bear Creek; thence in a Southwesterly direction along the main channel of Bear Creek and following the meanderings thereof to the East line of the West Half (W-1/2) of the West Half (W-1/2) of Fractional Section Six (6), Township Fifty-six (56) North, Range Four (4) West; thence South along the said East line of the West Half (W-1/2) of the West Half (W-1/2) of Fractional Section Six (6) to the South line of the North Half (N-1/2) of the Southwest Quarter (SW-1/4) of said Fractional Section Six (6); thence West along the said South line of the North Half (N-1/2) of the said Southwest Quarter (SW-1/4) of Fractional Section Six (6) to the West line of said Fractional Section Six (6), said West line of Fractional Section Six (6) also being the East line of Fractional Section One (1), Township Fifty-six (56) North, Range Five (5) West; thence South to the Southwest corner of said Section Six (6), Township Fifty-six (56) North, Range Four (4) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of Section Seven (7), Township Fifty-six (56) North, Range Four (4) West; thence East a distance of two (2) miles, more or less, to the Southeast corner of Section Eight (8), Township Fifty-six (56) North, Range Four (4) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of Section Sixteen (16), Township Fifty-six (56) North, Range Four (4) West; thence West a distance of three (3) miles, more or less, to the Northwest corner of Section Twenty-four (24), Township Fifty-six (56) North, Range Five (5) West; thence South along the West line of Sections Twenty-four (24), Twenty-five (25), and Thirty-six (36) to the intersection of the West line of Section Thirty-six (36), Township Fifty-six (56) North, Range Five (5) West, with Salt River; thence in a Southeasterly direction along the main channel of Salt River and following the meanderings thereof to its

intersection with the West line of Section One (1), Township Fifty-five (55) North, Range Four (4) West; thence North a distance of two (2) miles, more or less, to the Northwest corner of said Section One (1), Township Fifty-five (55) North, Range Four (4) West; thence East a distance of one (1) mile, more or less, to the Northeast corner of said Section One (1), Township Fifty-five (55) North, Range Four (4) West; thence North a distance of two (2) miles, more or less, to the Northwest corner of Section Thirty (30), Township Fifty-six (56) North, Range Three (3) West; thence East a distance of one (1) mile, more or less, to the Northeast corner of said Section Thirty (30), Township Fifty-six (56) North, Range Three (3) West; thence North a distance of one and one-half (1-1/2) miles to the intersection of the East line of Section Eighteen (18), Township Fifty-six (56) North, Range Three (3) West, with the Mississippi River, which is the point of beginning.

SUBDISTRICT NO. 3

Beginning at the Southeast corner of Section Twelve (12), Township Fifty-six (56) North, Range Five (5) West; thence North along the East line of Section One (1), Township Fifty-six (56) North, Range Five (5) West to a point, said point being a distance of 482.2 feet North of the Southeast corner of the Northeast Quarter (NE-1/4) of Fractional Section One (1), Township Fifty-six (56) North, Range Five (5) West; thence West and parallel with the South line of the North Half (N-1/2) of said Fractional Section One (1) to the West line of the said Fractional Section One (1); thence North along the West line of Fractional Section One (1) to the county line between Marion County and Ralls County; thence East along the said North line of said Fractional Section One (1), said North line of said Fractional Section One (1) also being the

county line between Marion County and Ralls County, Missouri, to the Southwest corner of Section Thirty-six (36), Township Fifty-seven (57) North, Range Five (5) West in Marion County, Missouri; thence North along the West line of said Section Thirty-six (36) to the Northwest corner of the Southwest Quarter (SW-1/4) of said Section Thirty-six (36); thence East along the North line of the said Southwest Quarter (SW-1/4) of Section Thirty-six (36) to the center of said Section Thirty-six (36); thence North along the center line of Section Thirty-six (36), Section Twenty-five (25), and Section Twenty-four (24), Township Fifty-seven (57) North, Range Five (5) West, to the Southeast corner of the Northeast Quarter (NE-1/4) of the Northwest Quarter (NW-1/4) of said Section Twenty-four (24); thence West along the South line of said Northeast Quarter (NE-1/4) of the Northwest Quarter (NW-1/4) of Section Twenty-four (24) to the East line of a county road; thence North along the said East line of a county road to the South right-of-way line of Missouri State Highway Route W (old U.S. Route 61); thence West along the said South right-of-way line of State Highway Route W to the West line of the East Half (E-1/2) of the West Half (W-1/2) of Section Twenty-four (24), said point being the Northeast corner of the West Half (W-1/2) of the Northwest Quarter (NW-1/4) of said Section Twenty-four (24); which point is also the Southeast corner of the West Half (W-1/2) of the Southwest Quarter (SW-1/4) of Section Thirteen (13), Township Fifty-seven (57) North, Range Five (5) West; run thence West along the North line of Section Twenty-four (24) to the Northwest corner of Section Twenty-four (24), which point is also the Southwest corner of Section Thirteen (13), Township Fifty-seven (57) North, Range Five (5) West; run thence Northwardly along the West boundary of said Section Thirteen (13), Township Fifty-seven (57) North, Range Five (5) West, which line is

also the East line of Section Fourteen (14), Township Fifty-seven (57) North, Range Five (5) West, to the center line of U.S. Highway 61; thence in a Southeastwardly direction along the said U. S. Highway 61 to its point of intersection with the West line of the East Half (E-1/2) of the East Half (E-1/2) of Section Thirteen (13), Township Fifty-seven (57) North, Range Five (5) West; thence North along the West line of the East Half (E-1/2) of the East Half (E-1/2) of Section Thirteen (13) to the Northeasterly right-of-way line of Missouri State Highway Route 168; thence in a Northwesterly direction along the said Northeasterly right-of-way line of Missouri State Highway Route 168 and following the meanderings thereof to the South line of Section Twelve (12); thence continuing along the said Northeasterly right-of-way line of Missouri State Highway Route 168 on a bearing of North 00 degrees 20 minutes West a distance of 858 feet to a point; thence North 71 degrees 45 minutes East a distance of 766.26 feet to a point on the West line of the East Half (E-1/2) of the Southeast Quarter (SE-1/4) of said Section Twelve (12); thence North along the said West line of the East Half (E-1/2) of the Southeast Quarter (SE-1/4) of Section Twelve (12) to the North line of the South Half (S-1/2) of the said Southeast Quarter (SE-1/4) of Section Twelve (12); thence East along said North line of the South Half (S-1/2) of the Southeast Quarter (SE-1/4) of Section Twelve (12), to the East line of Section Twelve (12), said East line of Section Twelve (12) also being the West Line of Fractional Section Seven (7), Township Fifty-seven (57) North, Range Four (4) West; thence South along the said West line of Fractional Section Seven (7) to a point, said point being a distance of 260 feet North of the South line of said Fractional Section Seven (7); thence East and parallel with the said South line of Fractional Section Seven (7) to the Southwesterly line of a county road; thence in

a Southeasterly direction along the Southwesterly line of a county road to a point, said point being 300 feet Southeasterly from the center line of Fractional Section Eighteen (18), Township Fifty-seven (57) North, Range Four (4) West; thence West and parallel with the North line of Fractional Section Eighteen (18) to the said center line of Fractional Section Eighteen (18); thence South along the said center line of said Fractional Section Eighteen (18) to the Northwest corner of Scipio Heights-First Addition, a distance of 970 feet, more or less, South of the center line of said Section Eighteen (18); thence East along the North line of said Scipio Heights-First Addition a distance of 1,320 feet, more or less, to the Northeast corner of the said Scipio Heights-First Addition, said Northeast corner of the said Scipio Heights-First Addition being 350 feet North of the Northeast corner of the Southwest Quarter (SW-1/4) of the Southeast Quarter (SE-1/4) of said Fractional Section Eighteen (18); thence South along the East line of Scipio Heights Subdivision (original), said East line of said Scipio Heights subdivision also being the East line of the Southwest Quarter (SW-1/4) of the Southeast Quarter (SE-1/4) of said Fractional Section Eighteen (18) to the South line of said Fractional Section Eighteen (18); thence continuing South along the East line of the Northwest Quarter (NW-1/4) of the Northeast Quarter (NE-1/4) of Fractional Section Nineteen (19), Township Fifty-seven (57) North, Range Four (4) West, to the Northwest corner of Hamlin Heights Subdivision, said Northwest corner being a distance of 1,506 feet, more or less, North of the North line of Palmyra Road; thence East along the North line of said Hamlin Heights Subdivision and parallel with the South line of the said Northwest Quarter (NW-1/4) of the Northeast Quarter (NE-1/4) of Fractional Section Nineteen (19), a distance of 309 feet to the

Northeast corner of Hamlin Heights Subdivision; thence South along the East line of Hamlin Heights Subdivision and parallel with the said East line of the Northwest Quarter (NW-1/4) of the Northeast Quarter (NE-1/4) of Fractional Section Nineteen (19) a distance of 312 feet to the Southeast corner of Lot Seventeen (17) of Hamlin Heights Subdivision; thence East and parallel with the said North line of Fractional Section Nineteen (19) to the East line of said Fractional Section Nineteen (19); thence North along the East line of said Fractional Section Nineteen (19) to the Northeast corner of said Fractional Section Nineteen (19), said corner also being the Northwest corner of Fractional Section Twenty (20), Township Fifty-seven (57) North, Range Four (4) West; thence East along the North line of said Fractional Section Twenty (20) to the center line of the main channel of the Mississippi River; thence in a Northerly direction along the said center line of the main channel of the Mississippi River and following the meanderings thereof to the point of intersection of the North line of Section Five (5), Township Fifty-seven (57) North, Range Four (4) West and the said center line of the main channel of the Mississippi River; thence West a distance of one and one-half (1-1/2) miles, more or less, to the Northwest corner of Section Six (6), Township Fifty-seven (57) North, Range Four (4) West, said point also being the Northeast corner of Section One (1), Township Fifty-seven (57) North, Range Five (5) West; thence North a distance of two (2) miles, more or less, to the Northeast corner of Section Twenty-five (25), Township Fifty-eight (58) North, Range Five (5) West; thence West a distance of two (2) miles, more or less, to the Northwest corner of Section Twenty-six (26), Township Fifty-eight (58) North, Range Five (5) West; thence South a distance of one-half (1/2) mile, more or less, to the Southwest corner of the Northwest Quarter (NW-1/4) of said Section

Twenty-six (26); thence West a distance of one and one-fourth (1-1/4) miles to the Northwest corner of the East Half (E-1/2) of the Southeast Quarter (SE-1/4) of Section Twenty-eight (28); Township Fifty-eight (58) North, Range Five (5) West; thence South a distance of one and one-half (1-1/2) miles, more or less, to the Southeast corner of the East Half (E-1/2) of the East Half (E-1/2) of Section Thirty-three (33), Township Fifty-eight (58) North, Range Five (5) West; thence West one and one-fourth (1-1/4) miles, more or less, to the Northwest corner of the Northeast Quarter (NE-1/4) of the Northeast Quarter (NE-1/4) of Section Five (5), Township Fifty-seven (57) North, Range Five (5) West, Marion County, Missouri; thence South two (2) miles, more or less, to the Southwest corner of the Southeast Quarter (SE-1/4) of the Southeast Quarter (SE-1/4) of Section Eight (8), Township Fifty-seven (57) North, Range Five (5) West; thence East a distance of one-fourth (1/4) mile, more or less, to the Southeast corner of Section Eight (8), Township Fifty-seven (57) North, Range Five (5) West, which point is also the Northwest corner of Section Sixteen (16), Township Fifty-seven (57) North, Range Five (5) West; thence South a distance of seven (7) miles, more or less, to the Southwest corner of Section Sixteen, Township Fifty-six (56) North, Range Five (5) West; thence East a distance of six (6) miles, more or less, to the Southeast corner of Section Seventeen (17), Township Fifty-Six (56) North, Range Four (4) West; thence North a distance of one (1) mile, more or less, to the Northeast corner of said Section Seventeen (17); thence West a distance of two (2) miles, more or less, to the Northwest corner of Section Eighteen (18), Township Fifty-six (56) North, Range Four (4) West, which is the point of beginning.

SUBDISTRICT NO. 4

Begin at the point where the section line between Sections Thirty-five (35) and Thirty-six (36), Township Fifty-six (56) North, Range Five (5) West, intersects with the center line of Salt River, thence North a distance of two and one-half (2-1/2) miles, more or less, to the Northeast corner of Section Twenty-three (23), Township Fifty-six (56) North, Range Five (5) West; thence West a distance of three (3) miles, more or less, to the Northwest corner of Section Twenty-one (21), Township Fifty-six (56) North, Range Five (5) West; thence North a distance of one (1) mile, more or less, to the Northeast corner of Section Seventeen (17), Township Fifty-six (56) North, Range Five (5) West; thence West a distance of eight (8) miles, more or less, to the Northwest corner of Section Eighteen (18), Township Fifty-six (56) North, Range six (6) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of said Section Eighteen (18), Township Fifty-six (56) North, Range Six (6) West; thence West a distance of one (1) mile to the Northwest corner of Section Twenty-four (24), Township Fifty-six (56) North, Range Seven (7) West; thence South a distance of two (2) miles, more or less, to the Southwest corner of Section Twenty-five (25), Township Fifty-six (56) North, Range Seven (7) West; thence East a distance of one (1) mile, more or less, to the Southwest corner of Section thirty (30), Township Fifty-six (56) North, Range Six (6) West; thence South a distance of one (1) mile, more or less, along the West line of Section Thirty-one (31), Township Fifty-six (56) North, Range Six (6) West, to the intersection of the West line of said Section Thirty-one (31) with the North line of State Highway Route A; thence in a generally Southeasterly

direction along the North line of said State Highway Route A approximately four and one-half (4-1/2) miles, more or less, to the point where the said State Highway Route A crosses Salt River in the Southeast corner of Section Four (4), Township Fifty-five (55) North, Range Six (6) West; run thence in a generally Eastwardly direction with the meanderings of the center line of the Salt River as the same meanders across Sections Four (4), Three (3), and Five (5), Township Fifty-five (55) North, Range Six (6) West; Sections thirty-three (33), Thirty-four (34), and Thirty-five (35), Township Fifty-six (56) North, Range Six (6) West; Sections One (1) and Two (2), Township Fifty-five (55) North, Range Six (6) West; Section Six (6), Township Fifty-five (55) North, Range Five (5) West; and Sections Thirty-one (31), Thirty (30), Thirty-two (32), Thirty-three (33), Twenty-eight (28), Twenty-seven (27), Twenty-six (26), and Thirty-five (35), Township Fifty-six (56) North, Range Five (5) West, to the intersection of the said Salt River with the East line of Section Thirty-five (35), Township Fifty-six (56) North, Range Five (5) West, which is the point of beginning.

SUBDISTRICT NO. 5

Begin at the Southeast corner of Section Eight (8), Township Fifty-six (56) North, Range Five (5) West, in Ralls County, Missouri; thence North six (6) miles, more or less, to the Northeast corner of Section Seventeen (17), Township Fifty-seven (57) North, Range Five (5) West, Marion County, Missouri; thence West a distance of two (2) miles, more or less, to the Northwest corner of Section Eighteen (18), Township Fifty-seven (57) North, Range Five (5) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of said Section Eighteen (18); thence West a distance of three (3) miles, more or less, to the Northwest corner of Section Twenty-two

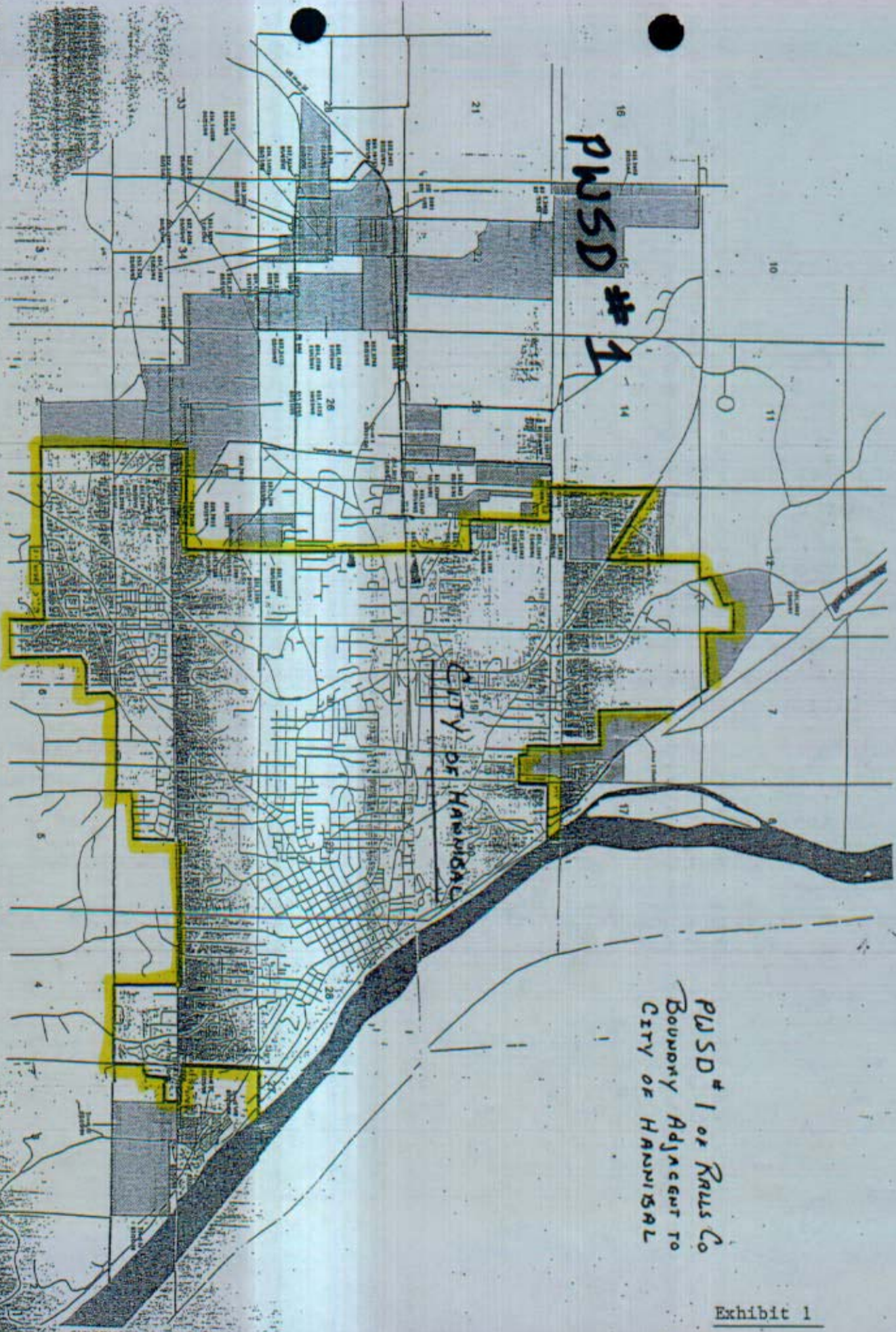
(22), Township Fifty-seven (57) North, Range Six (6) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of said Section Twenty-two (22); thence West a distance of one (1) mile, more or less, to the Northwest corner of Section Twenty-eight (28), Township Fifty-seven (57) North, Range Six (6) West; thence South a distance of one-half (1/2) mile, more or less, to the Northeast corner of the Southeast Quarter (SE-1/4) of Section Twenty-nine (29), Township Fifty-seven (57) North, Range Six (6) West; thence West a distance of one-half (1/2) mile, more or less, to the center of said Section Twenty-nine (29); thence South a distance of one-half (1/2) mile, more or less, to the Southwest corner of the Southeast Quarter (SE-1/4) of said Section Twenty-nine (29); thence West a distance of one-half (1/2) mile, more or less, to the Northwest corner of Section Thirty-two (32), Township Fifty-seven (57) North, Range Six (6) West; thence South a distance of one (1) mile, more or less, to the Southwest corner of said Section Thirty-two (32), which is also the county line between Ralls County and Marion County; thence West a distance of two (2) miles, more or less, along said county line, to the Northwest corner of Section One (1), Township Fifty-six (56) North, Range Seven (7) West; thence South a distance of three (3) miles, more or less, along the West line of Sections one (1), Twelve (12), and Thirteen (13), Township Fifty-six (56) North, Range Seven (7) West, to the Southwest corner of the said Section Thirteen (13); thence East a distance of one (1) mile, to the Southeast corner of said Section thirteen (13), Township Fifty-six (56) North, Range Seven (7) West; thence North a distance of one (1) mile, more or less, to the Northwest corner of Section Eighteen (18), Township Fifty-six (56) North, Range Six (6) West; thence East a distance of eight (8) miles, more or less, to the point of beginning.

RALLS COUNTY PUBLIC WATER
SUPPLY DISTRICT NO. 1

PMUSD #1

CITY OF HANNIBAL

PMUSD #1 of Ralls Co
Boundary Adjacent to
CITY OF HANNIBAL



MAP SHOWING ENTIRE TERRITORY OF RALLS COUNTY PUBLIC WATER SUPPLY DISTRICT NO.1

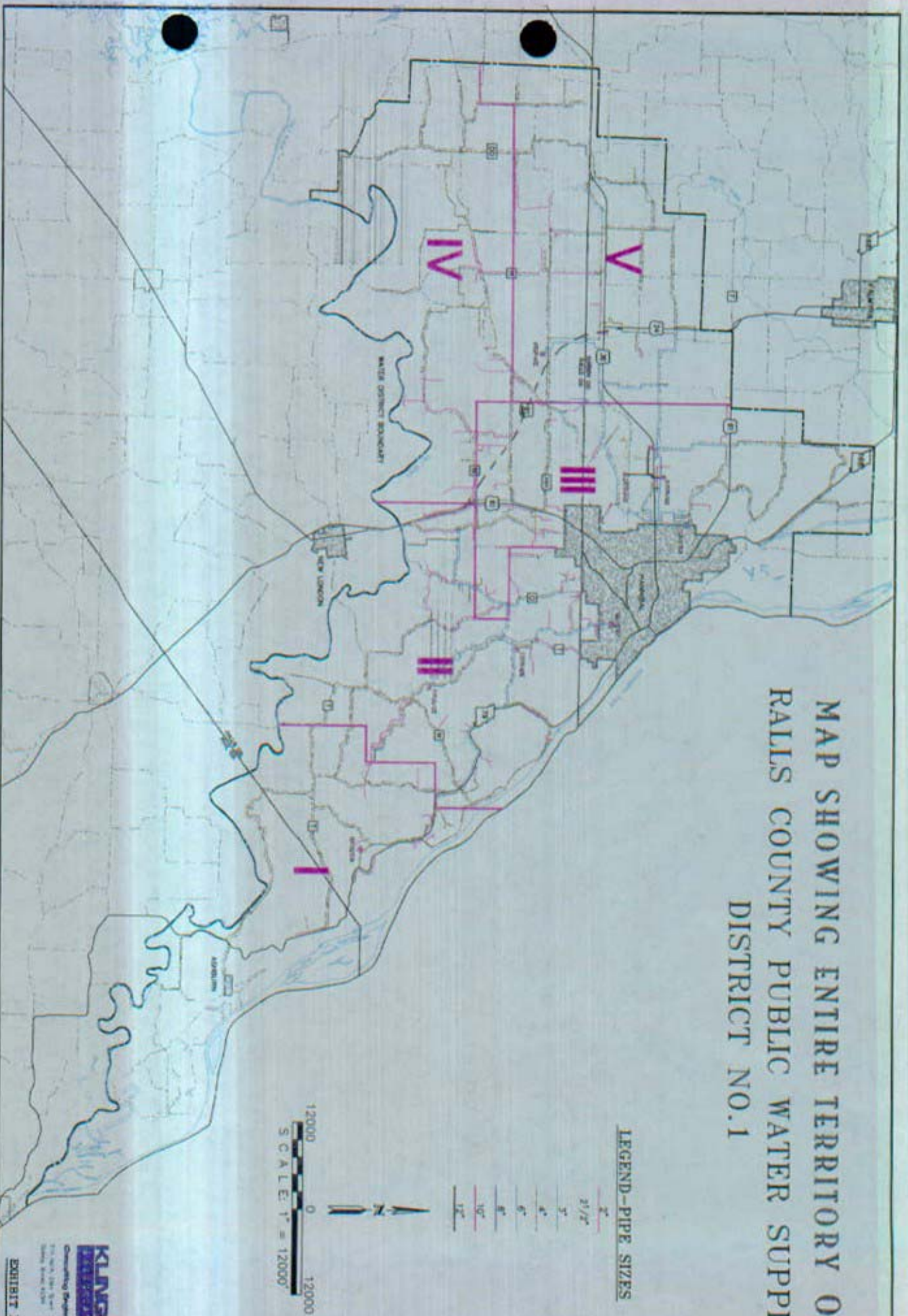


EXHIBIT 1

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 Consulting Engineers
 715 W. 10th Street, Suite 200
 Des Moines, Iowa 50319
 Phone: (515) 281-1111
 Fax: (515) 281-1112

AREA SUBJECT TO
TERRITORY AGREEMENT

RALLS COUNTY PUBLIC WATER
SUPPLY DISTRICT NO. 1

AREA SUBJECT TO
TERRITORY AGREEMENT

PWSD #1 of Ralls County
Boundary Adjacent to
City of Hannibal

AREA SUBJECT TO
TERRITORY AGREEMENT

