

**RUSSELL COUNTY**  
**BOARD OF SUPERVISOR'S MEETING**  
**AGENDA – JULY 6, 2020**

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Conference Room

Regular Meeting

5:00 PM

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Russell County Governmental Center  
Lebanon, Virginia 24266



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**The Russell County Board of Supervisors Meetings will be held pursuant to the Russell County Emergency Ordinance of April 6, 2020 to allow for the Continuity of Government Operations During the Pandemic, including Altering the Process for Conducting Public Meetings; Restricting the Use of Public Buildings or Facilities; Providing Additional Powers to the Director of Emergency Management to Incur Costs, Waive Procedures, and Take Other Temporary Actions; and Suspending Deadlines and Procedures.**

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**CALL TO ORDER – Clerk of the Board**

**ROLL CALL – Clerk of the Board**

**EXECUTIVE SESSION (CLOSED) – Legal Matters**

**(SCHEDULED ONE HOUR BEFORE REGULAR BOS MEETING -- REGULAR BOS MEETING BEGINS AT 6 P.M.)**

**INVOCATION – Chairperson**

**PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA**

**APPROVAL OF AGENDA**

**NEW BUSINESS**

1. **Approval of Minutes. Consider approval of the minutes of the following meeting of the Russell County Board of Supervisors.....A-1**
  - a. **Unapproved minutes of June 1, 2020**

b. Unapproved minutes of June 17, 2020

- 2. Approval of Expenditures. Consider approval of expenditures presented for payment.....A-2

**CITIZEN’S COMMENT PERIOD**

**CONSTITUTIONAL OFFICER REPORTS AND REQUESTS**

**COUNTY ATTORNEY REPORTS AND REQUESTS**

- 1. VRA Resolution concerning RC PSA Financial & Support Agreements.....B-1
- 2. VRA Resolution concerning RC PSA Financial & Support Agreement for Glade Hollow Water Project.....B-2
- 3. Personnel Policy.....B-3

**COUNTY ADMINISTRATOR REPORTS AND REQUESTS**

**REPORTS**

- 1. VDOT Smart Scale Rte. 19 (Primary Rte.) Project Application.....C-1
- 2. VDOT Smart Scale Rte. 58 (Primary Rte.) Project Application.....C-2
- 3. CDBG Planning Grant – Cleveland Sewer Treatment Plant Upgrade.....C-3
- 4. Honaker & Castlewood Canneries.....C-4
- 5. RC GIS System Upgrade,,.....C-5

**REQUESTS**

- 6. RC Treasurer Authorization of Merchant Credit Card Account.....C-6
- 7. DCJS Victim Witness Program Grant (\$70,000).....C-7
- 8. CARES Oversight Committee Members.....C-8
- 9. Cumberland Community Service Board (CSB) Resignation.....C-9
- 10. RC Planning Commission Plats.....C-10

**MATTERS PRESENTED BY THE BOARD**

**ADJOURNMENT**

**COUNTY AGENCY / BOARD REPORTS:**

- **Treasurer’s Report.....D**
- **RC IDA .....E**
- **RC PSA .....F**
- **RC Tourism.....G**
- **RC Planning Commission .....H**
- **Conference Center.....I**
- **RC Fitness Center.....J**
- **RC Transportation & Safety.....K**
- **RC Cannery Reports.....L**
- **RC Building Inspector.....M**
- **RC Litter Report.....N**
- **CPWMA Report.....O**

**CLOSED SESSION**

Motion made by \_\_\_\_\_, second by \_\_\_\_\_ and duly approved by the Board of Supervisors enter into closed session to discuss Legal Matters pursuant to Section 2.2-3711(A) (1), (7), (8).

The vote was:

Aye: \_\_\_\_\_

Nay: \_\_\_\_\_

**CERTIFICATION OF CLOSED SESSION**

Pursuant to §2.2-3712 (D) of the Code of Virginia 1950, as amended, each member of the Board of Supervisors upon the Roll Call certifies that to the best of their knowledge (i) only public business matters lawfully exempted from the open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters that were identified in the motion(s) by which the closed meeting was convened were heard, discussed or considered in the meeting by the Board of Supervisors.

Any member of the Board of Supervisors who believes that there was a departure from the requirements of clauses (i) and (ii) above shall so state prior to the vote, indicating the substance of the departure that, in his or her judgment, has taken place.

Are there any Supervisors who believe a departure has taken place?

Seeing none, if you agree that the matters heard, discussed or considered during the closed meeting were pursuant only to the motion(s) by which the closed meeting was convened, please signify by saying aye or yes.

Tim Lovelace -

Lou Ann Wallace -

Carl Rhea -

Steve Breeding -

David Eaton -

Rebecca Dye -

Oris Christian -

**APPROVAL TO RETURN TO REGULAR SESSION**

Motion made by \_\_\_\_\_, second by \_\_\_\_\_ and duly approved by the Board of Supervisors to return to regular session.

The vote was:

Aye: \_\_\_\_\_

Nay: \_\_\_\_\_



**Board of Supervisors**  
137 Highland Drive  
Lebanon, VA 24266

Action Item A-1  
Presenter: Chairperson

**Meeting: 7/6/20 6:00 PM**

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## Approval of Minutes

Request approval of the minutes from the following meeting:

- **Unapproved minutes of June 1, 2020**
- **Unapproved minutes of June 17, 2020**

### **STAFF RECOMMENDATION(s):**

Board discretion

### **SUGGESTED MOTION(s):**

Motion to approve Board Minutes.

### **ATTACHMENTS:**

- Board Minutes

June 01, 2020

A regular monthly meeting of the Russell County Board of Supervisors was held on Monday, June 01, 2020 beginning at 5:00 pm with Executive (closed) Session followed by the regular meeting at 6:00 pm at the Russell County Government Center in Lebanon, Virginia.

The Clerk called the meeting to order.

**Roll Call by the Clerk:**

**Present:**

Tim Lovelace  
Lou Wallace  
Carl Rhea  
David Eaton  
Steve Breeding  
Rebecca Dye  
Oris Christian

Lonzo Lester, Clerk  
Vicki Porter, Deputy Clerk  
Katie Patton, County Attorney

**Absent:**

None

**EXECUTIVE (CLOSED) SESSION**

Motion made by Steve Breeding, second Tim Lovelace and duly approved by the Board of Supervisors to enter into Executive (closed) Session pursuant to Section 2.2-3712(5) of the Code of Virginia to discuss legal matters pursuant to 2.2-3711(A), (1), (7) and (8).

The vote was:

Aye: Steve Breeding, Tim Lovelace, Lou Wallace, Carl Rhea, David Eaton, Rebecca Dye and Oris Christian  
Nay: None

**APPROVAL TO RETURN TO REGULAR SESSION**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to return to regular session.

The vote was:

Aye: David Eaton, Steve Breeding, Tim Lovelace, Lou Wallace, Carl Rhea, Rebecca Dye and Oris Christian  
Nay: None

**CERTIFICATION OF EXECUTIVE (CLOSED) SESSION**

Pursuant to § 2.2-3712(D) of the Code of Virginia 1950, as amended each member of the Board of Supervisors upon the Roll Call certifies that to the best of their knowledge (I) only public business matters lawfully exempted from the open meeting requirements under the Virginia Freedom of

Information Act and (ii) only such public business matters that were identified in the motion(s) by which the closed meeting was convened were heard, discussed or considered in the meeting by the Board of Supervisors.

Any member of the Board of Supervisors who believes that there was a departure from the requirements of clauses (I) and (ii) above shall so state prior to the vote, indicating the substance of the departure that, in his or her judgment, has taken place.

Are there any who believe a departure has taken place? Seeing none, if you agree that the matters heard, discussed or considered during the closed meeting were pursuant only to the motion(s) by which the closed meeting was convened, please signify by saying aye or yes.

Tim Lovelace – AYE  
Lou Wallace – AYE  
Carl Rhea – AYE  
David Eaton – AYE  
Rebecca Dye - AYE  
Steve Breeding – AYE  
Oris Christian – AYE

Invocation by Chair Rebecca Dye, followed by the Pledge of Allegiance to the Flag.

#### **APPROVAL OF THE AGENDA**

Motion made by Steve Breeding, second Lou Wallace and duly approved by the Board of Supervisors to approve the agenda as presented.

The vote was:

Aye: Steve Breeding, Lou Wallace, Tim Lovelace, Carl Rhea, David Eaton, Rebecca Dye and Oris Christian  
Nay: None

#### **PUBLIC HEARING HELD ON THE CONTINUITY OF GOVERNMENT EMERGENCY ORDINANCE**

Pursuant to being advertised in a local newspaper for two (2) consecutive weeks, a public hearing was held on the Continuity of Government Emergency Ordinance. The Chairperson opened the public hearing to comments.

The following citizens spoke in reference to the ordinance: Larry Hughes, Mark Rose and Jeff Dixon  
The Chairperson closed the public hearing.

#### **APPROVAL OF THE CONTINUITY OF GOVERNMENT EMERGENCY ORDINANCE**

Motion made by Oris Christian, second Carl Rhea and duly approved by the Board of Supervisors to approve the Continuity of Government Emergency Ordinance.

The vote was:

Aye: Oris Christian, Carl Rhea, Tim Lovelace, Lou Wallace, Steve Breeding and Rebecca Dye

Nay: David Eaton

**PUBLIC HEARING HELD ON THE FY 2020/2021 GENERAL OPERATING BUDGET**

Pursuant to being advertised in a local newspaper for two (2) consecutive weeks, a public hearing was held on the FY 2020/2021 General Operating Budget. The Chairperson opened the public hearing to comments, hearing none the public hearing was closed.

**PUBLIC HEARING HELD ON THE HONAKER SCHOOL PROPERTY TRANSFER**

Pursuant to being advertised in a local newspaper for two (2) consecutive weeks, a public hearing was held on the Honaker School Property Transfer. The Chairperson opened the public hearing to comments, hearing none the public hearing was closed.

**APPROVAL OF THE HONAKER SCHOOL PROPERTY TRANSFER**

Motion made by David Eaton, second Steve Breeding and duly approved by the Board of Supervisors to approve the Honaker School Property Transfer.

The vote was:

Aye: David Eaton, Steve Breeding, Tim Lovelace, Lou Wallace, Carl Rhea, Rebecca Dye and Oris Christian

Nay: None

**New Business**

**APPROVAL OF THE MAY 04, 2020 MINUTES**

Motion made by Steve Breeding, second Carl Rhea and duly approved by the Board of Supervisors to approve the May 04, 2020 minutes and dispense with the reading thereof.

The vote was:

Aye: Steve Breeding, Carl Rhea, Tim Lovelace, Lou Wallace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF THE MAY 17, 2020 MINUTES**

Motion made by Tim Lovelace, second Steve Breeding and duly approved by the Board of Supervisors to approve the May 17, 2020 minutes and dispense with the reading thereof.

The vote was:

Aye: Steve Breeding, Carl Rhea, Tim Lovelace, Lou Wallace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF GENERAL COUNTY INVOICES**

Motion made by Carl Rhea, second Tim Lovelace and duly approved by the Board of Supervisors to approve general county invoices in the amount to \$ 474,112.68 including withholdings and reoccurring.

The vote was:

Aye: Carl Rhea, Tim Lovelace, Lou Wallace, David Eaton, Steve Breeding, Rebecca Dye and Oris Christian

Nay: None

### **Board Appointments**

#### **CUMBERLAND INDUSTRIAL FACILITIES AUTHORITY APPOINTMENTS TABLED**

Motion made by Lou Wallace, second Tim Lovelace and duly approved by the Board of Supervisors to table the CIFA appointments until July 2020.

The vote was:

Aye: Lou Wallace, Tim Lovelace, David Eaton, Carl Rhea, Steve Breeding, Rebecca Dye and Oris Christian

Nay: None

#### **FRANK HORTON RE-APPOINTED TO THE CPEDC**

Motion made by Steve Breeding, second Tim Lovelace and duly approved by the Board of Supervisors to re-appoint Frank Horton to the Cumberland Plateau Economic Development Commission for a one (1) year term, said term ending June 30, 2021.

The vote was:

Aye: Steve Breeding, Tim Lovelace, Carl Rhea, Lou Wallace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

#### **TONY LAMBERT APPOINTED TO THE CPEDC**

Motion made by Tim Lovelace, second Oris Christian and duly approved by the Board of Supervisors to appoint Tony Lambert to the Cumberland Plateau Economic Development Commission for a one (1) year term, said term ending June 30, 2021.

The vote was:

Aye: Steve Breeding, Tim Lovelace, Carl Rhea, Lou Wallace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

#### **RON BLANKENSHIP RE-APPOINTED TO THE CPEDC**

Motion made by Carl Rhea, second David Eaton and duly approved by the Board of Supervisors to re-appoint Ron Blankenship to the Cumberland Plateau Economic Development Commission for a one (1) year term, said term ending June 30, 2021.

The vote was:

Aye: Steve Breeding, Tim Lovelace, Carl Rhea, Lou Wallace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

#### **JAMES EATON RE-APPOINTED TO THE CPEDC**

Motion made by Tim Lovelace, second David Eaton and duly approved by the Board of Supervisors to re-appoint James Eaton to the Cumberland Plateau Economic Development Commission for a one (1) year term, said term ending June 30, 2021.

The vote was:

Aye: Tim Lovelace, Steve Breeding, Lou Wallace, Carl Rhea, Rebecca Dye and Oris Christian

Nay: None

Abstain: David Eaton

**YVONNE DYE RE-APPOINTED TO THE LIBRARY BOARD OF TRUSTEES**

Motion made by David Eaton, second Lou Wallace and duly approved by the Board of Supervisors to re-appoint Yvonne Dye to the Library Board of Trustees for a three (3) year term, said term ending June 30, 2023.

The vote was:

Aye: David Eaton, Lou Wallace, Carl Rhea, Tim Lovelace, Steve Breeding, Rebecca Dye and Oris Christian

Nay: None

**SUSAN BREEDING RE-APPOINTED TO THE LIBRARY BOARD OF TRUSTEES**

Motion made by David Eaton, second Lou Wallace and duly approved by the Board of Supervisors to re-appoint Susan Breeding to the Library Board of Trustees for a three (3) year term, said term ending June 30, 2023.

The vote was:

Aye: David Eaton, Lou Wallace, Carl Rhea, Tim Lovelace, Rebecca Dye and Oris Christian

Nay: None

Abstain: Steve Breeding

**CUBA PORTER RE-APPOINTED TO THE RUSSELL COUNTY PSA**

Motion made by Oris Christian, second Lou Wallace and duly approved by the Board of Supervisors to re-appoint Cuba Porter to The Russell County Public Service Authority for a four (4) year term, said term ending June 30, 2024.

The vote was:

Aye: Oris Christian, Lou Wallace, Carl Rhea, Tim Lovelace, Steve Breeding, David Eaton and Rebecca Dye

Nay: None

**DAVID EDMONDS JR. RE-APPOINTED TO THE RUSSELL COUNTY PSA**

Motion made by Oris Christian, second Lou Wallace and duly approved by the Board of Supervisors to re-appoint David Edmonds, Jr. to The Russell County Public Service Authority for a four (4) year term, said term ending June 30, 2024.

The vote was:

Aye: Oris Christian, Lou Wallace, Carl Rhea, Tim Lovelace, Steve Breeding, David Eaton and Rebecca Dye  
Nay: None

**The Chairperson relinquished the Chair to Steve Breeding.**

**DONNIE CHRISTIAN APPOINTED TO THE RUSSELL COUNTY PSA**

Motion made by Rebecca Dye, second David Eaton and duly approved by the Board of Supervisors to appoint Donnie Christian to The Russell County Public Service Authority to fill the unexpired term of Terry Powers, said term ending June 24, 2022.

The vote was:

Aye: Rebecca Dye, David Eaton, Tim Lovelace, Carl Rhea, Steve Breeding and, Lou Wallace

Nay: None

Abstain: Oris Christian

**Vice-Chairman Steve Breeding relinquished the Chair back to Rebecca Dye.**

**TEDDY CLEVINGER RE-APPOINTED TO SPEARHEAD TRAILS**

Motion made by Lou Wallace, second Oris Christian and duly approved by the Board of Supervisors to re-appoint Teddy Clevinger to Spearhead Trails for a three (3) year term, said term ending August 07, 2023.

The vote was:

Aye: Lou Wallace, Oris Christian, Carl Rhea, Tim Lovelace, Steve Breeding, Rebecca Dye and David Eaton

Nay: None

**LARRY BURTON, ALICE MEADE, PAT GRAY AND WAYNE BOSTIC RE-APPOINTED TO THE AASC BOARD**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to re-appoint Larry Burton, Alice Meade, Pat Gray and Wayne Bostic to the Appalachian Agency for Senior Citizens Board for two (2) year terms, said terms ending August 01, 2022.

The vote was:

Aye: Steve Breeding, David Eaton, Carl Rhea, Lou Wallace, Tim Lovelace, Rebecca Dye and Oris Christian

Nay: None

**MADDIE GORDON APPOINTED TO THE TOURISM ADVISORY COMMITTEE**

Motion made by Lou Wallace, second Steve Breeding and duly approved by the Board of Supervisors to appoint Maddie Gordon to the Tourism Advisory Committee for a four (4) year term, said term ending June 30, 2024.

The vote was:

Aye: Lou Wallace, Steve Breeding, Carl Rhea, Tim Lovelace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**County Attorney Reports and Requests**

Katie Patton, County Attorney discussed three (3) issues with the Board:

RC Covid-19 Re-Opening resolution  
CPRWMA User Agreement  
County Personnel Policy

**APPROVAL OF THE RUSSELL COUNTY COVID -19 REOPENING RESOLUTION**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to approve a Russell County Covid-19 Re-Opening Resolution.

The vote was:

Aye: Steve Breeding, David Eaton, Lou Wallace, Tim Lovelace, Rebecca Dye and Oris Christian

Nay: none

Abstain: Carl Rhea

**APPROVAL OF A CPRWMA USER AGREEMENT**

Motion made by Tim Lovelace, second Steve Breeding and duly approved by the Board of Supervisors to approve the Cumberland Plateau Regional Waste Management Authority User Agreement subject to review and approval of the operations agreement per legal counsel.

The vote was:

Aye: Tim Lovelace, Steve Breeding, Lou Wallace, Carl Rhea, David Eaton and Rebecca Dye

Nay: None

Abstain: Oris Christian

The County Attorney asked that the Board consider approving the personnel policy at the July 06, 2020 meeting.

**County Administrator Reports and Requests**

**APPROVAL OF A VRA AMENDED AND RESTATED SUPPORT AGREEMENT OF THE SWVRJA AND RUSSELL COUNTY**

Motion made by Tim Lovelace, second Lou Wallace and duly approved by the Board of Supervisors to approve a VRA Amended and Restated Support Agreement of the Southwest Virginia Regional Jail Authority and Russell County.

The vote was:

Aye: Tim Lovelace, Lou Wallace, Carl Rhea, Steve Breeding, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF A VRA CERTIFICATE OF THE COUNTY OF RUSSELL**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to approve a Virginia Resource Authority Certificate of the County of Russell. (Southwest Virginia Regional Jail Authority).

The vote was:

Aye: Steve Breeding, David Eaton, Carl Rhea, Lou Wallace, Tim Lovelace, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF A PLAT FOR GLENVIEW DRIVE**

Motion made by Tim Lovelace, second Steve Breeding and duly approved by the Board of Supervisors to approve a plat for Glenview Drive as requested by the Russell County Planning Commission.

The vote was:

Aye: Tim Lovelace, Steve Breeding, Lou Wallace, Carl Rhea, David Eaton, Oris Christian and Rebecca Dye

Nay: None

**APPROVAL TO ADJOURN TO RECONVENE ON JUNE 17, 2020**

Motion made by Steve Breeding, second Tim Lovelace and duly approved by the Board of Supervisors to adjourn to reconvene on Wednesday, June 17, 2020 at 5:00 pm.

The vote was:

Aye: Steve Breeding, Tim Lovelace, Carl Rhea, David Eaton, Lou Wallace, Rebecca Dye and Oris Christian

Nay: None

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Clerk of the Board

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Chairperson

June 17, 2020

A reconvened meeting of the Russell County Board of Supervisors was held on Wednesday, June 17, 2020 beginning with an Executive (closed) Session at 5:00 pm followed by the regular meeting at 6:00 pm at the Russell County Government Center in Lebanon, Virginia.

The Clerk called the meeting back to order.

**Roll Call by the Clerk:**

**Present:**

Tim Lovelace  
Lou Wallace  
Carl Rhea  
David Eaton  
Steve Breeding  
Rebecca Dye  
Oris Christian

Lonzo Lester, Clerk  
Vicki Porter, Deputy Clerk  
Katie Patton, County Attorney

**Absent:**

None

**EXECUTIVE (CLOSED) SESSION**

Motion made by Steve Breeding, second Oris Christian and duly approved by the Board of Supervisors to enter into Executive (closed) Session pursuant to Section 2.2-3712(5) of the Code of Virginia to discuss personnel and legal matters pursuant to 2.2-3711(A), (1), (7) and (8).

The vote was:

Aye: Lou Wallace, Tim Lovelace, Carl Rhea, Steve Breeding, Rebecca Dye, David Eaton and Oris Christian  
Nay: None

**APPROVAL TO RETURN TO REGULAR SESSION**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to return to regular session.

The vote was:

Aye: David Eaton, Steve Breeding, Tim Lovelace, Lou Wallace, Carl Rhea, Rebecca Dye and Oris Christian  
Nay: None

**CERTIFICATION OF EXECUTIVE (CLOSED) SESSION**

Pursuant to § 2.2-3712(D) of the Code of Virginia 1950, as amended each member of the Board of Supervisors upon the Roll Call certifies that to the best of their knowledge (I) only public business

matters lawfully exempted from the open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters that were identified in the motion(s) by which the closed meeting was convened were heard, discussed or considered in the meeting by the Board of Supervisors.

Any member of the Board of Supervisors who believes that there was a departure from the requirements of clauses (i) and (ii) above shall so state prior to the vote, indicating the substance of the departure that, in his or her judgment, has taken place.

Are there any who believe a departure has taken place? Seeing none, if you agree that the matters heard, discussed or considered during the closed meeting were pursuant only to the motion(s) by which the closed meeting was convened, please signify by saying aye or yes.

Tim Lovelace – AYE  
Lou Wallace – AYE  
Carl Rhea – AYE  
David Eaton – AYE  
Rebecca Dye - AYE  
Steve Breeding – AYE  
Oris Christian – AYE

Invocation by Chairperson Rebecca Dye followed by the Pledge of Allegiance to the Flag.

#### **APPROVAL OF THE AGENDA**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to approve the agenda as amended.

The vote was:

Aye: David Eaton, Steve Breeding, Carl Rhea, Tim Lovelace, Lou Wallace, Rebecca Dye and Oris Christian  
Nay: None

#### **PUBLIC HEARING HELD ON THE FY 2020/2021 GENERAL OPERATING BUDGET**

Pursuant to being advertised in a local newspaper for two (2) consecutive weeks, a public hearing was held on the FY2020/2021 General Operating Budget. The Chair opened the public hearing to comments, hearing none the public hearing was closed.

#### **APPROVAL OF FY 2020/2021 GENERAL OPERATING BUDGET**

Motion made by Tim Lovelace, second Lou Wallace and duly approved by the Board of Supervisors to approve the FY 2020/2021 General Operating Budget.

The vote was:

Aye: Tim Lovelace, Lou Wallace, Carl Rhea, David Eaton, Steve Breeding, Rebecca Dye and Oris Christian  
Nay: None

**FOREWORD**

**THE COUNTY OPERATING BUDGET FOR FISCAL YEAR 2020-2021 (JULY 1, 2020 THROUGH JUNE 30, 2021) PRESENTED IN THIS DOCUMENT WAS ADOPTED AND APPROPRIATED BY RESOLUTION OF THE RUSSELL COUNTY BOARD OF SUPERVISORS ON JUNE 17, 2020. THE COUNTY OPERATING BUDGET IS PREPARED AND APPROVED PURSUANT TO §15.2-2503 OF THE 1950 CODE OF VIRGINIA. AMENDMENTS TO THE COUNTY OPERATING BUDGET AS MAY BE APPROVED BY THE RUSSELL COUNTY BOARD OF SUPERVISORS DURING THE COURSE OF FISCAL YEAR 2020-2021 WILL NOT BE SET OUT IN THIS DOCUMENT.**

**RUSSELL COUNTY BOARD OF SUPERVISORS**

**Rebecca Dye, Chairperson**

**Supervisor Election District 6**

**Steve Breeding, Vice-Chairman**

**Supervisor Election District 5**

**Tim Lovelace**

**Supervisor Election District 1**

**Lou Ann Wallace**

**Supervisor Election District 2**

**Carl Rhea**

**Supervisor Election District 3**

**David Eaton**

**Supervisor Election District 4**

**Oris Christian**

**Supervisor Election At-Large**

**Lonzo Lester**

**County Administrator**

**Katie Patton**

**County Attorney**

**A RESOLUTION TO APPROVE THE BUDGETS, AS AMENDED, AND APPROPRIATE FUNDS FOR THE COUNTY OF RUSSELL AND THE RUSSELL**

**COUNTY SCHOOL DIVISION FOR THE FISCAL YEAR BEGINNING JULY 1, 2020, AND ENDING JUNE 30, 2021**

WHEREAS, the Budget/Finance Committee has submitted to the Russell County Board of Supervisors a proposed annual budget for the County for the fiscal year beginning July 1, 2020, and ending June 30, 2021, which has been reviewed by the Board of Supervisors; and

WHEREAS, it is necessary to adopt said budget and appropriate sufficient funds to cover the requirements included therein; and

WHEREAS, the Board of Supervisors, in exercising its independent judgment and in concert with the Russell County School Board, has considered the school's annual operating budget; and

WHEREAS, after considering the availability of local funds, approval of the Russell County School Board's Fiscal Year 2020/2021 Educational Budget is based upon funding from the federal government in the amount of \$5,156,575; from the state government in the amount of \$30,101,103; from the local appropriations in the amount of \$9,101,317; and other local revenues in the amount of \$753,554;

BE IT FURTHER RESOLVED that the annual budget in the sum of \$1,896,428 for fiscal year 2020/2021 be, and is hereby, approved for the operation of food service programs authorized and approved by the Russell County School Board subject to and contingent upon the availability of funds;

BE IT STILL FURTHER RESOLVED that the \$9,101,317 appropriated above from the General Fund for Education, includes \$8,024,781 for the local contribution to the School Division for support of the School operation budget;

BE IT STILL FURTHER RESOLVED that an annual appropriation in the sum of \$1,076,536 for fiscal year 2020/2021 be, and is hereby, made for school debt service; for a total amount of \$9,101,317 appropriated for the Russell County School Division subject to and contingent upon the availability of funds;

NOW THEREFORE, BE IT RESOLVED by the Russell County Board of Supervisors this 17th day of June 2020, that the fiscal year 2020/2021 annual budget of the Russell County School Division for school operations in the amount of \$47,008,977 be, and is hereby, approved subject to and contingent upon the availability of funds as indicated in the preamble hereto;

BE IT STILL FURTHER RESOLVED that the following annual appropriations for fiscal year 2020/2021 be, and are hereby, made in the General Fund for the following functions:

<u>Function</u>	<u>Amount</u>
General Administration	\$ 1,873,546
Judicial Administration	2,376,631
Public Safety	5,978,870
Environmental Control	1,777,064
General Services	909,379
Health and Welfare	1,311,530

Education	9,268,266
Parks, Recreation & Cultural	535,282
Community Development	302,626
Non-Departmental	211,250
Capital Outlay & Transfers to Other Funds	266,614
Debt Service	<u>981,900</u>
Total General Fund	<u>\$ 25,792,958</u>

BE IT STILL FURTHER RESOLVED that the County Administrator be, and is hereby, authorized to transfer the appropriations in the General Fund Non-Departmental function to the related categories in the various General Fund functions.

BE IT STILL FURTHER RESOLVED that the annual appropriation in the sum of \$150,000 for fiscal year 2020/2021 be, and is hereby, made in the Coal Road Fund.

BE IT STILL FURTHER RESOLVED that the annual appropriation in the sum of \$197,052 for fiscal year 2020/2021 be, and is hereby, made in the Southwest Virginia ASAP Fund.

BE IT STILL FURTHER RESOLVED that the annual appropriation in the sum of \$5,210,980 for fiscal year 2020/2021, and is hereby, made in the Social Services Fund for the Russell County Department of Social Services and is hereby, approved subject to and contingent upon the availability of funds as indicated in the preamble hereto.

BE IT STILL FURTHER RESOLVED that the annual appropriation of the Social Services Fund be, and is hereby, increased if and when additional federal and/or state funds or local contributions become available. The County Administrator shall advise the Board of Supervisors in writing of all such actions.

BE IT STILL FURTHER RESOLVED that the annual appropriation in the sum of \$1,720,700 for fiscal year 2020/2021 be, and is hereby, made in the Comprehensive Services Act Fund and is hereby, approved subject to and contingent upon the availability of funds as indicated in the preamble hereto.

BE IT STILL FURTHER RESOLVED that the County Treasurer, upon receipt of a written order from the County Administrator, is authorized to advance funds between the several County funds under his custody provided, however, that the total advanced to any particular fund, plus the amount of funds disbursed from that fund, does not exceed the annual appropriation of said fund.

BE IT STILL FURTHER RESOLVED that, the County Administrator shall be, and is hereby, authorized to do all things necessary to apply for federal and state library aid and in addition, the annual appropriation for library operations.

BE IT STILL FURTHER RESOLVED that, the County Treasurer shall be, and is hereby, authorized to implement of service fee for credit and debit card payments.

BE IT STILL FURTHER RESOLVED that, upon receiving notice of grant or program opportunities offered by various federal, state, local and other outside organizations, the County Administrator or her designee be, and is hereby designated as the agent to execute the necessary grant or program application and other documentation, unless the terms of the grant or program require

specific actions by the Board, to give such assurances as may be required by the agreement subject to approval as to form by legal review and to provide such additional information as may be required by the awarding organization. Funding awarded shall be subject to appropriation by the Board of Supervisors prior to expenditure.

BE IT STILL FURTHER RESOLVED that interest earned on grant and program awards received from federal, state, local and other outside organizations be, and is hereby, appropriated to the appropriate functional area to be expended in accordance with guidelines as established by the organizations.

BE IT STILL FURTHER RESOLVED that additional funds received for various County programs, including contributions and donations, be, and are hereby, appropriated for the purpose established by each program.

BE IT STILL FURTHER RESOLVED that funds received for the off-duty employment by deputy sheriff's programs be, and hereby are, appropriated in the General Fund to cover the costs of the program.

BE IT STILL FURTHER RESOLVED that upon receipt of written notification from the State Compensation Board of additional funds for the Constitutional Officers (Commonwealth's Attorney, Sheriff, Clerk of Court, Treasurer and Commissioner of the Revenue) be, and are hereby, appropriated in the General Fund to be expended in accordance with guidelines as established by the state government.

BE IT STILL FURTHER RESOLVED that the annual contributions that are hereby appropriated shall be disbursed on a monthly basis with the amount disbursed not to exceed one-twelfth of the total appropriation, unless otherwise agreed upon. Contributions to the Russell County School Division and the Russell County Department of Social Services are exempt from this limitation. In addition, the County Administrator may require written reports on how previous allocation(s) was/were spent before any future disbursements are made.

BE IT STILL FURTHER RESOLVED that the funds be, and are hereby, appropriated for fiscal year 2020/2021 in the various funds for continuing capital and special projects and grants as of June 30, 2021 not to exceed the Restricted, Committed and Assigned Fund Balances as recorded in the County's audited accounting records. The County Administrator shall advise the Board of Supervisors in writing of all such actions.

BE IT STILL FURTHER RESOLVED that the County Administrator be, and is hereby, authorized to transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations and any such transfer may not result in a change in the total appropriated within the function.

BE IT STILL FURTHER RESOLVED that the County Administrator is hereby the authorized signer for the County petty cash account available to allow for emergency purchases in daily County operations.

BE IT STILL FURTHER RESOLVED that the Board of Supervisors may amend this budget to adjust the aggregate amount to be appropriated during the current fiscal year as prescribed by § 15.2-2507 of the Code of Virginia of 1950, as amended, for all Russell County Departments, Russell County School Divisions, and Russell County Constitutional Offices.

**New Business**

**APPROVAL TO DRAFT A LETTER TO CONGRESSMAN GRIFFITH CONCERNING FEMA FUNDING LIMITS**

Motion made by David Eaton, second Carl Rhea and duly approved by the Board of Supervisors to draft a letter to Congressman Morgan Griffith to request that FEMA funding levels be more favorable for localities in Southwest Virginia.

The vote was:

Aye: David Eaton, Carl Rhea, Tim Lovelace, Steve Breeding, Lou Wallace, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF THE RC EMERGENCY OPERATIONS PLAN**

Motion made by Carl Rhea, second Oris Christian and duly approved by the Board of Supervisors to approve the Russell County Emergency Management Emergency Operations Plan.

The vote was:

Aye: Carl Rhea, Oris Christian, Tim Lovelace, Lou Wallace, Rebecca Dye, Steve Breeding and David Eaton

Nay: None

**Citizens Comment**

The Chair opened citizens comment period. Hearing none, citizens comment was closed.

**APPROVAL OF A PRE-APPLICATION FOR AN ECONOMIC DEVELOPMENT ACCESS ROAD**

Motion made by Steve Breeding, second Tim Lovelace and duly approved by the Board of Supervisors to authorize a pre-application for an economic development access road for Southwest Livestock LLC with no county funds utilized.

The vote was:

Aye: Steve Breeding, Tim Lovelace, Lou Wallace, Carl Rhea, David Eaton and Oris Christian

Nay: Rebecca Dye

**REBECCA DYE APPOINTED TO THE CIFA BOARD**

Lou Wallace nominated Rebecca Dye

Steve Breeding nominated David Eaton

David Eaton: three (3) votes: Steve Breeding, Carl Rhea and David Eaton

Rebecca Dye – four (4) votes: Lou Wallace, Oris Christian, Tim Lovelace and Rebecca Dye

Rebecca Dye was appointed to the Cumberland Industrial Facilities Authority for a two (2) year term, said term ending June 17, 2022.

**TONY DODI APPOINTED TO THE CIFA BOARD**

David Eaton nominated Ernie McFadden

Tim Lovelace nominated Tony Dodi

Tony Dodi- Four (4) votes: Tim Lovelace, Rebecca Dye, Oris Christian and Lou Wallace  
Ernie McFaddin – three (3) votes: David Eaton, Steve Breeding and Carl Rhea

Tony Dodi was appointed to the Cumberland Industrial Facilities Authority for a two (2) year term, said terms ending June 17, 2022.

#### **VICTORIA GENT APPOINTED TO THE TOURISM ADVISORY COMMITTEE**

Steve Breeding nominated Victoria Gent, hearing no other nominations Mrs. Gent was appointed to the Tourism Advisory Board by acclamation to fill the unexpired term of Brandon Blevins, said term ending June 30, 2023.

The vote was:

Aye: David Eaton, Steve Breeding, Carl Rhea, Tim Lovelace, Lou Wallace, Rebecca Dye and Oris Christian

Nay: None

#### **ACCEPTANCE OF JEFF HESS' RESIGNATION FROM THE TOURISM ADVISORY COMMITTEE**

Motion made by David Eaton, second Steve Breeding and duly approved by the Board of Supervisors to accept the resignation of Jeff Hess from the Tourism Advisory Committee.

The vote was:

Aye: David Eaton, Steve Breeding, Carl Rhea, Tim Lovelace, Lou Wallace, Rebecca Dye and Oris Christian

Nay: None

#### **JAMIE BALL APPOINTED TO THE TOURISM ADVISORY COMMITTEE**

David Eaton nominated Jamie Ball

Motion made by Tim Lovelace, second Steve Breeding that nominations cease and appoint Jamie Ball to the Tourism Advisory Committee by acclamation to fill the unexpired term of Jeff Hess, said term ending August 30, 2022.

The vote was:

Aye: Tim Lovelace, Steve Breeding, Lou Wallace, Carl Rhea, David Eaton, Rebecca Dye and Oris Christian

Nay: None

#### **County Administrator Reports and Requests**

##### **APPROVAL OF A CDGB GRANT AGREEMENT FOR THE CLEVELAND SEWER PLANT**

Motion made by Carl Rhea, second Steve Breeding and duly approved by the Board of Supervisors to approve a CDGB Planning Grant Agreement for the Cleveland Sewer Treatment Plant.

The vote was:

Aye: Carl Rhea, Steve Breeding, Lou Wallace, Tim Lovelace, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF LETTER OF ENGAGEMENT WITH ROBINSON, FARMER AND COX AUDIT FIRM**

Motion made by Steve Breeding, second Lou Wallace and duly approved by the Board of Supervisors to authorize the Chair to sign an engagement letter with Robinson, Farmer and Cox for the FY 2020/2021 county audit.

The vote was:

Aye: Steve Breeding, Lou Wallace, Tim Lovelace, Carl Rhea, David Eaton, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL OF A \$1,000,000 LOAN FROM FIRST BANK AND TRUST FOR THE RUSSELL COUNTY IDA**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to approve a loan from First Bank and Trust not to exceed \$1,000,000 to the Russell County Industrial Development Authority to make the necessary renovations to the Government Center and the Russell County Sheriff's Office.

The vote was:

Aye: Steve Breeding, David Eaton, Lou Wallace, Tim Lovelace, Carl Rhea, Rebecca Dye and Oris Christian

Nay: None

**APPROVAL TO ADJOURN**

Motion made by Steve Breeding, second David Eaton and duly approved by the Board of Supervisors to adjourn and move the July 6, 2020 meeting to the Russell County Conference Center.

The vote was:

Aye: Steve Breeding, David Eaton, Lou Wallace, Tim Lovelace, Carl Rhea, Rebecca Dye and Oris Christian

Nay: None

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Clerk of the Board

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Chairman



**Board of Supervisors**  
137 Highland Drive  
Lebanon, VA 24266

Action Item A-2  
Presenter: Chairperson

**Meeting: 7/6/20 6:00 PM**

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## **Approval of Expenditures**

Request approval of the County's June 2020 Monthly Expenditures:

### **STAFF RECOMMENDATION(s):**

County's June 2020 Monthly Expenditures are in compliance with budget and operational services.

### **SUGGESTED MOTION(s):**

Motion to approve County's June 2020 Monthly Expenditures.

### **ATTACHMENTS:**

- June 2020 Monthly Expenditures

<u>DUE DATE</u>	<u>INV. DATE</u>	<u>VENDOR</u>	<u>INVOICE</u>	<u>CLASS</u>	<u>GROSS AMT.</u>	<u>NET AMOUNT</u>	<u>G/L ACCOUNT</u>	<u>P.O.#</u>
7/06/2020	6/15/2020	002615 A & A ENTERPRIS	67618		44.00	44.00	4100-031020-5401-	-
7/06/2020	6/22/2020	002615 A & A ENTERPRIS	67756		159.00	159.00	4100-031020-5410-	-
7/06/2020	6/22/2020	002615 A & A ENTERPRIS	67758		38.00	38.00	4100-031020-5410-	-
					241.00	241.00 *		
7/06/2020	6/23/2020	004221 ALEXANDER, SHAU	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00 *		
7/06/2020	6/23/2020	001912 ALTIZER MICHAEL	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00 *		
7/06/2020	5/19/2020	003754 AMAZON	438463884939	10	16.79	16.79	4100-073010-5411-	-
7/06/2020	5/19/2020	003754 AMAZON	448477479889	10	.74-	.74-	4100-073010-5411-	-
7/06/2020	6/09/2020	003754 AMAZON	457947935544	10	13.41	13.41	4100-073010-5401-	-
7/06/2020	6/09/2020	003754 AMAZON	533578773843	10	46.32	46.32	4100-073010-5414-	-
7/06/2020	5/17/2020	003754 AMAZON	565847458954	10	63.02	63.02	4100-073010-5411-	-
7/06/2020	5/19/2020	003754 AMAZON	686896655937		16.79	16.79	4100-073010-5411-	-
7/06/2020	6/12/2020	003754 AMAZON	757945995563	10	59.96	59.96	4100-073010-5414-	-
7/06/2020	5/17/2020	003754 AMAZON	795479695933	10	55.14	55.14	4100-073010-5414-	-
7/06/2020	5/27/2020	003754 AMAZON	887447988834	10	17.90	17.90	4100-073010-5401-	-
7/06/2020	5/25/2020	003754 AMAZON	994543766894	10	42.03	42.03	4100-073010-5411-	-
					330.62	330.62 *		
7/06/2020	6/18/2020	001425 ATLANTIC ELECTRI	297		4,785.50	4,785.50	4100-013010-7002-	-
					4,785.50	4,785.50 *		
7/06/2020	6/23/2020	002592 BALDWIN GRACIE	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	002592 BALDWIN GRACIE	06232020		46.00	46.00	4100-013010-5501-	-
					246.00	246.00 *		
7/06/2020	6/23/2020	003889 BALDWIN, ERIN	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00 *		
7/06/2020	6/23/2020	003419 BALL, EARIKA	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	003419 BALL, EARIKA	06232020		63.25	63.25	4100-013010-5501-	-
7/06/2020	6/23/2020	003419 BALL, EARIKA	06232020		50.00	50.00	4100-013010-3002-	-
					313.25	313.25 *		
7/06/2020	6/23/2020	000068 BARNHART BARBA	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	000068 BARNHART BARBA	06232020		39.10	39.10	4100-013010-5501-	-
					239.10	239.10 *		
7/06/2020	6/23/2020	004437 BARTON, DONAVON	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00 *		
7/06/2020	6/23/2020	004093 BELCHER, DANNY	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00 *		
7/06/2020	6/23/2020	004091 BELCHER, LINDA	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00 *		
7/06/2020	6/08/2020	000052 BLEVINS SEPTIC	34271		510.00	510.00	4100-042010-5413-	-
					510.00	510.00 *		
7/06/2020	6/09/2020	000092 BONANZA RESTAUR	797401		178.20	178.20	4100-011010-5413-	-
					178.20	178.20 *		
7/06/2020	6/23/2020	001682 BREEDING JEAN	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00 *		
7/06/2020	1/28/2020	004322 BREEDING, STEV	MILEAGE REIMB		132.01	132.01	4100-011010-5501-	-
					132.01	132.01 *		
7/06/2020	6/10/2020	004161 BREEDING, CRYST	06102020		30.00	30.00	4100-072030-3009-	-
					30.00	30.00 *		
7/06/2020	6/11/2020	004614 BROWN, CARLA	06112020		442.50	442.50	4100-072030-3009-	-
					442.50	442.50 *		
7/06/2020	5/07/2020	002301 C HEALTH	63160		60.00	60.00	4100-042400-5401-	-
					60.00	60.00 *		
7/06/2020	6/23/2020	001177 CAMPBELL PHILLI	06232020		2,500.00	2,500.00	4100-013010-3002-	-
7/06/2020	6/23/2020	001177 CAMPBELL PHILLI	06232020		180.55	180.55	4100-013010-5501-	-
					2,680.55	2,680.55 *		

<u>DUE DATE</u>	<u>INV. DATE</u>	<u>VENDOR</u>	<u>INVOICE</u>	<u>CLASS</u>	<u>GROSS AMT.</u>	<u>NET AMOUNT</u>	<u>G/L ACCOUNT</u>	<u>P.O.#</u>
7/06/2020	5/27/2020	002632 CAMPBELL PRINTI	1611		450.00	450.00	4100-012010-5401-	- -
					450.00	450.00 *		
7/06/2020	5/25/2020	003279 CDW	XWW3443		583.59	583.59	4100-031020-5401-	- -
					583.59	583.59 *		
7/06/2020	6/23/2020	004671 CHAFIN, SANDRA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/01/2020	004450 CINTAS CORPORAT	4051910968		38.93	38.93	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052307571		75.91	75.91	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052307832		36.48	36.48	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052308037		96.66	96.66	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052308040		35.58	35.58	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052308045		239.78	239.78	4100-043020-3008-	- -
7/06/2020	6/04/2020	004450 CINTAS CORPORAT	4052308122		92.72	92.72	4100-043020-3008-	- -
7/06/2020	6/08/2020	004450 CINTAS CORPORAT	4052545164		38.93	38.93	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	4052940941		68.91	68.91	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	4052941168		84.19	84.19	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	4052941363		253.78	253.78	4100-043020-3008-	- -
7/06/2020	6/15/2020	004450 CINTAS CORPORAT	4053166488		38.93	38.93	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	4052941143		35.58	35.58	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	4052941249		87.26	87.26	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563670		96.66	96.66	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563672		68.91	68.91	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563707		92.72	92.72	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563723		35.58	35.58	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563732		36.48	36.48	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	4053563864		239.78	239.78	4100-043020-3008-	- -
7/06/2020	6/18/2020	004450 CINTAS CORPORAT	405363732		36.48	36.48	4100-043020-3008-	- -
7/06/2020	6/22/2020	004450 CINTAS CORPORAT	4053785257		38.93	38.93	4100-043020-3008-	- -
7/06/2020	6/11/2020	004450 CINTAS CORPORAT	06242020		20.23	20.23	4100-031020-3005-	- -
7/06/2020	6/25/2020	004450 CINTAS CORPORAT	4054207999		90.72	90.72	4100-043020-3008-	- -
7/06/2020	6/25/2020	004450 CINTAS CORPORAT	4054208053		68.91	68.91	4100-043020-3008-	- -
7/06/2020	6/25/2020	004450 CINTAS CORPORAT	4054208055		35.58	35.58	4100-043020-3008-	- -
7/06/2020	6/25/2020	004450 CINTAS CORPORAT	4054208060		239.78	239.78	4100-043020-3008-	- -
7/06/2020	6/25/2020	004450 CINTAS CORPORAT	4054208152		87.26	87.26	4100-043020-3008-	- -
7/06/2020	6/29/2020	004450 CINTAS CORPORAT	4054438097		38.98	38.98	4100-043020-3008-	- -
					2,450.64	2,450.64 *		
7/06/2020	6/23/2020	001099 COLLINS WAYNE	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	7/06/2020	003076 COMBS ARCHIE	062020		91.73	91.73	4100-013010-5501-	- -
					91.73	91.73 *		
7/06/2020	6/23/2020	004227 COMPTON, KIMBE	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	004227 COMPTON, KIMBE	06232020		17.25	17.25	4100-013010-5501-	- -
7/06/2020	6/23/2020	004227 COMPTON, KIMBE	06232020		50.00	50.00	4100-013010-3002-	- -
					267.25	267.25 *		
7/06/2020	6/23/2020	004606 COMPTON, TERRY	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	002921 COOK YVONNE	06232020		381.99	381.99	4100-013010-5401-	- -
					381.99	381.99 *		
7/06/2020	6/24/2020	004703 CORRECTIONAL CO	23901		658.38	658.38	4100-022010-5415-	- -
					658.38	658.38 *		
7/06/2020	6/23/2020	004642 CREECH, JIMMY	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	004442 CULBERTSON, RIC	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/16/2020	000171 CUMBERLAND PLAT	179		72,258.45	72,258.45	4100-042010-3002-	- -
					72,258.45	72,258.45 *		

<u>DUE DATE</u>	<u>INV. DATE</u>	<u>VENDOR</u>	<u>INVOICE</u>	<u>CLASS</u>	<u>GROSS AMT.</u>	<u>NET AMOUNT</u>	<u>G/L ACCOUNT</u>	<u>P.O.#</u>
7/06/2020	4/15/2020	004653 DANA SAFETY SUP	335079		1,825.00	1,825.00	4100-031020-5408-	- -
					1,825.00	1,825.00 *		
7/06/2020	6/02/2020	004334 DEMTECH VOTING	13030		577.50	577.50	4100-013010-3002-	- -
					577.50	577.50 *		
7/06/2020	5/20/2020	000193 DISCOUNT TIRE C	8180		10.00	10.00	4100-031020-5408-	- -
7/06/2020	5/22/2020	000193 DISCOUNT TIRE C	8201		68.00	68.00	4100-031020-5408-	- -
					78.00	78.00 *		
7/06/2020	6/23/2020	004643 DISHMAN, TERESA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	5/12/2020	000198 DOMINION OFFICE	120475		42.90	42.90	4100-099000-5000-	- -
7/06/2020	5/21/2020	000198 DOMINION OFFICE	120616		158.00	158.00	4100-012300-5401-	- -
7/06/2020	5/19/2020	000198 DOMINION OFFICE	120703		20.28	20.28	4100-012130-5401-	- -
7/06/2020	5/26/2020	000198 DOMINION OFFICE	120927		42.90	42.90	4100-099000-5000-	- -
7/06/2020	5/26/2020	000198 DOMINION OFFICE	120928		67.99	67.99	4100-021060-5401-	- -
7/06/2020	5/27/2020	000198 DOMINION OFFICE	120929		281.86	281.86	4100-043020-5405-	- -
7/06/2020	5/29/2020	000198 DOMINION OFFICE	121040		8.56	8.56	4100-021060-5401-	- -
7/06/2020	5/29/2020	000198 DOMINION OFFICE	121044		3.78	3.78	4100-072010-5405-	- -
7/06/2020	6/05/2020	000198 DOMINION OFFICE	121244		20.23	20.23	4100-042400-5401-	- -
7/06/2020	5/15/2020	000198 DOMINION OFFICE	4120620		470.72	470.72	4100-012130-5401-	- -
7/06/2020	6/05/2020	000198 DOMINION OFFICE	121354		17.85	17.85	4100-021060-5401-	- -
7/06/2020	6/09/2020	000198 DOMINION OFFICE	121437		389.20	389.20	4100-021060-5401-	- -
7/06/2020	6/17/2020	000198 DOMINION OFFICE	121577		245.99	245.99	4100-013010-5401-	- -
7/06/2020	6/16/2020	000198 DOMINION OFFICE	121586		8.86	8.86	4100-035050-5401-	- -
7/06/2020	6/17/2020	000198 DOMINION OFFICE	121587		532.15	532.15	4100-012010-5401-	- -
7/06/2020	6/19/2020	000198 DOMINION OFFICE	121702		23.85	23.85	4100-042400-5401-	- -
7/06/2020	6/19/2020	000198 DOMINION OFFICE	121703		249.00	249.00	4100-043020-5405-	- -
7/06/2020	5/26/2020	000198 DOMINION OFFICE	120933		903.38	903.38	4100-031020-5401-	- -
7/06/2020	6/05/2020	000198 DOMINION OFFICE	121240		21.10	21.10	4100-031020-5401-	- -
7/06/2020	6/09/2020	000198 DOMINION OFFICE	121430		91.80	91.80	4100-031020-5401-	- -
7/06/2020	6/12/2020	000198 DOMINION OFFICE	121493		185.00	185.00	4100-031020-5401-	- -
7/06/2020	6/16/2020	000198 DOMINION OFFICE	121585		23.00	23.00	4100-031020-5401-	- -
7/06/2020	6/19/2020	000198 DOMINION OFFICE	121701		30.25	30.25	4100-031020-5401-	- -
7/06/2020	6/23/2020	000198 DOMINION OFFICE	121789		25.77	25.77	4100-031020-5401-	- -
7/06/2020	6/23/2020	000198 DOMINION OFFICE	121782		64.99	64.99	4100-021060-5401-	- -
7/06/2020	6/26/2020	000198 DOMINION OFFICE	121955		231.96	231.96	4100-043020-5405-	- -
7/06/2020	5/15/2020	000198 DOMINION OFFICE	120618	10	101.78	101.78	4100-073010-5401-	- -
7/06/2020	5/26/2020	000198 DOMINION OFFICE	120948	10	48.39	48.39	4100-073010-5401-	- -
7/06/2020	6/01/2020	000198 DOMINION OFFICE	121150	10	16.13	16.13	4100-073010-5401-	- -
7/06/2020	6/03/2020	000198 DOMINION OFFICE	121166	10	209.88	209.88	4100-073010-5414-	- -
					4,537.55	4,537.55 *		
7/06/2020	6/23/2020	003194 DOTSON GARY	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	5/31/2020	003938 DRAPER ADEN ASS	2020050503		3,395.26	3,395.26	4100-042010-3090-	- -
7/06/2020	4/30/2020	003938 DRAPER ADEN ASS	2020040313		3,645.40	3,645.40	4100-042010-3090-	- -
					7,040.66	7,040.66 *		
7/06/2020	6/23/2020	001164 DUTY THOMAS	06232020		50.00	50.00	4100-013010-3002-	- -
					50.00	50.00 *		
7/06/2020	6/23/2020	004333 DUTY, JENNY	06232020		50.00	50.00	4100-013010-3002-	- -
					50.00	50.00 *		
7/06/2020	6/23/2020	003639 DYE LINDA	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/10/2020	003957 EUROFINS LANCAS	10721722		561.00	561.00	4100-042010-3090-	- -
7/06/2020	6/10/2020	003957 EUROFINS LANCAS	10722347		2,745.00	2,745.00	4100-042010-3090-	- -
					3,306.00	3,306.00 *		
7/06/2020	6/04/2020	004472 EXTREME CLEAN,	746230		71.95	71.95	4100-031020-5408-	- -
					71.95	71.95 *		

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7/06/2020	5/22/2020	001020 FERGUSON ENTERP	0467943		46.20	46.20	4100-043020-5407-	- -
					46.20	46.20 *		
7/06/2020	6/23/2020	004433 FERGUSON, RICHA	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/19/2020	001445 FISHER AUTO PAR	397-255822		85.17	85.17	4100-031020-5408-	- -
					85.17	85.17 *		
7/06/2020	3/28/2020	000854 GALL'S, LLC	1536489		18.40	18.40	4100-031020-5409-	- -
7/06/2020	5/21/2020	000854 GALL'S, LLC	15702639		127.00	127.00	4100-031020-5409-	- -
7/06/2020	6/02/2020	000854 GALL'S, LLC	15770807		107.10	107.10	4100-031020-5409-	- -
7/06/2020	6/02/2020	000854 GALL'S, LLC	15770808		75.00	75.00	4100-031020-5409-	- -
7/06/2020		000854 GALL'S, LLC	15799616		216.99	216.99	4100-031020-5409-	- -
7/06/2020	6/06/2020	000854 GALL'S, LLC	15806099		86.00	86.00	4100-031020-5409-	- -
7/06/2020	6/11/2020	000854 GALL'S, LLC	15841774		62.79	62.79	4100-031020-5409-	- -
7/06/2020	6/11/2020	000854 GALL'S, LLC	15842533		71.75	71.75	4100-031020-5409-	- -
					765.03	765.03 *		
7/06/2020	6/10/2020	004418 GILMER, ELLEN	06102020		30.00	30.00	4100-072030-3009-	- -
					30.00	30.00 *		
7/06/2020	6/22/2020	001862 GREAT AMERICA L	27272612		263.22	263.22	4100-012090-5401-	- -
					263.22	263.22 *		
7/06/2020	6/23/2020	004225 HALL, JO ANN	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	003631 HARRIS REMA	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/23/2020	004222 HARRIS, SYDNEY	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	003196 HARRISON JOEL	06232020		200.00	200.00	4100-013010-3002-	- -
					200.00	200.00 *		
7/06/2020	6/23/2020	002248 HARTSOCK BRIAN	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	003859 HESS DONNA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	004436 HESS, ANGELA GA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/26/2020	000308 HONAKER TIRE SE	120155		960.50	960.50	4100-042400-5407-	- -
					960.50	960.50 *		
7/06/2020	6/23/2020	004220 HONAKER, KAYTL	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/12/2020	004651 HONAKER, JENNIF	06122020		30.00	30.00	4100-072030-3009-	- -
					30.00	30.00 *		
7/06/2020	6/23/2020	004558 HONAKER, JUSTIN	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	003424 HUGHES WILLIAM	06232020		50.00	50.00	4100-013010-3002-	- -
					50.00	50.00 *		
7/06/2020	3/26/2020	003866 INNOVATIVE TECH	2327		450.00	450.00	4100-032050-3005-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2389		1,848.50	1,848.50	4100-031020-3005-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2388		2,250.00	2,250.00	4100-012300-3002-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2390		112.50	112.50	4100-034010-5401-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2391		412.50	412.50	4100-035050-5401-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2393		225.00	225.00	4100-021010-5401-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2395		900.00	900.00	4100-012090-5401-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2400		75.00	75.00	4100-042400-5413-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2404		150.00	150.00	4100-072030-3001-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2410		37.50	37.50	4100-072010-3009-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2419		75.00	75.00	4100-013020-3002-	- -
					6,536.00	6,536.00 *		

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7/06/2020	6/23/2020	003059 JESSEE CLAUDETT	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	003059 JESSEE CLAUDETT	06232020		36.80	36.80	4100-013010-5501-	- -
7/06/2020	6/23/2020	003059 JESSEE CLAUDETT	06232020		50.00	50.00	4100-013010-3002-	- -
					286.80	286.80 *		
7/06/2020	6/25/2020	003587 JOHN DEERE FINA	06252020	1	408.10	408.10	4100-031020-5408-	- -
7/06/2020	6/16/2020	003587 JOHN DEERE FINA	1101599		25.26	25.26	4100-035010-5402-	- -
					433.36	433.36 *		
7/06/2020	6/23/2020	003075 JOHNSON VERNON	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	003075 JOHNSON VERNON	06232020		11.50	11.50	4100-013010-5501-	- -
					211.50	211.50 *		
7/06/2020	6/23/2020	004673 JOHNSON, GLENN	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/24/2020	003355 JONES, MICHELLE	JAN-JUNE 2020		11,885.00	11,885.00	4100-035010-5404-	- -
					11,885.00	11,885.00 *		
7/06/2020	5/07/2020	000353 KEGLEY SERVICE	37937		20.00	20.00	4100-031020-5408-	- -
7/06/2020	5/12/2020	000353 KEGLEY SERVICE	37945		141.95	141.95	4100-031020-5408-	- -
					161.95	161.95 *		
7/06/2020	5/26/2020	003245 KENDALL ELECTRI	S109164159.001		382.53	382.53	4100-043020-5407-	- -
7/06/2020	5/26/2020	003245 KENDALL ELECTRI	S109164159.002		79.80	79.80	4100-043020-5407-	- -
7/06/2020	5/26/2020	003245 KENDALL ELECTRI	S109164159.003		133.00	133.00	4100-043020-5407-	- -
7/06/2020	6/02/2020	003245 KENDALL ELECTRI	S109176631.001		342.00	342.00	4100-043020-5407-	- -
7/06/2020	6/02/2020	003245 KENDALL ELECTRI	S109185122.001		485.47	485.47	4100-043020-5407-	- -
7/06/2020	6/23/2020	003245 KENDALL ELECTRI	S109184031.001		456.00	456.00	4100-043020-5407-	- -
					1,878.80	1,878.80 *		
7/06/2020	6/22/2020	004546 LEAF	10759396	10	95.52	95.52	4100-073010-3002-	- -
					95.52	95.52 *		
7/06/2020	5/04/2020	000367 LEBANON BLOCK &	365887		3.95	3.95	4100-043020-5407-	- -
7/06/2020	5/05/2020	000367 LEBANON BLOCK &	366209		5.20	5.20	4100-043020-5407-	- -
7/06/2020	5/11/2020	000367 LEBANON BLOCK &	367276		35.34	35.34	4100-035010-5405-	- -
7/06/2020	5/11/2020	000367 LEBANON BLOCK &	367374		11.85	11.85	4100-035010-5405-	- -
7/06/2020	5/11/2020	000367 LEBANON BLOCK &	367636		1.64	1.64	4100-043020-5407-	- -
7/06/2020	5/14/2020	000367 LEBANON BLOCK &	367965		2.07	2.07	4100-043020-5407-	- -
7/06/2020	5/14/2020	000367 LEBANON BLOCK &	367983		19.95	19.95	4100-043020-5407-	- -
7/06/2020	5/14/2020	000367 LEBANON BLOCK &	368017		44.23	44.23	4100-043020-5407-	- -
7/06/2020	5/15/2020	000367 LEBANON BLOCK &	368307		49.17	49.17	4100-043020-5407-	- -
7/06/2020	5/19/2020	000367 LEBANON BLOCK &	3689630		24.16	24.16	4100-043020-5407-	- -
7/06/2020	5/19/2020	000367 LEBANON BLOCK &	368966		32.75	32.75	4100-043020-5407-	- -
7/06/2020	5/19/2020	000367 LEBANON BLOCK &	369037		119.20	119.20	4100-043020-5407-	- -
7/06/2020	5/26/2020	000367 LEBANON BLOCK &	370124		7.17	7.17	4100-042400-5407-	- -
7/06/2020	5/27/2020	000367 LEBANON BLOCK &	370231		30.79	30.79	4100-042400-5413-	- -
7/06/2020	5/27/2020	000367 LEBANON BLOCK &	370285		384.00	384.00	4100-043020-5407-	- -
7/06/2020	5/27/2020	000367 LEBANON BLOCK &	370404		24.94	24.94	4100-042400-5413-	- -
7/06/2020	5/28/2020	000367 LEBANON BLOCK &	370558		39.55	39.55	4100-035010-5405-	- -
7/06/2020	5/29/2020	000367 LEBANON BLOCK &	370749		20.64	20.64	4100-042400-5413-	- -
7/06/2020	5/29/2020	000367 LEBANON BLOCK &	370837		13.05	13.05	4100-035010-5405-	- -
7/06/2020	5/29/2020	000367 LEBANON BLOCK &	370909		54.99	54.99	4100-043020-5407-	- -
7/06/2020	5/29/2020	000367 LEBANON BLOCK &	370925		9.98	9.98	4100-043020-5407-	- -
7/06/2020	6/16/2020	000367 LEBANON BLOCK &	374508		2.19	2.19	4100-043020-5407-	- -
7/06/2020	6/16/2020	000367 LEBANON BLOCK &	374513		25.18	25.18	4100-042400-5413-	- -
7/06/2020	5/11/2020	000367 LEBANON BLOCK &	3672.09		13.79	13.79	4100-031020-5409-	- -
7/06/2020	5/14/2020	000367 LEBANON BLOCK &	368106		152.46	152.46	4100-031020-5409-	- -
7/06/2020	5/18/2020	000367 LEBANON BLOCK &	368764		46.46	46.46	4100-031020-5409-	- -
7/06/2020	5/19/2020	000367 LEBANON BLOCK &	368949		7.45	7.45	4100-031020-5409-	- -
7/06/2020	5/21/2020	000367 LEBANON BLOCK &	369427		106.13	106.13	4100-031020-5409-	- -
7/06/2020	5/26/2020	000367 LEBANON BLOCK &	369994		68.05	68.05	4100-031020-5409-	- -

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7/06/2020	5/26/2020	000367 LEBANON BLOCK &	370035		74.43	74.43	4100-031020-5409-	-
7/06/2020	6/02/2020	000367 LEBANON BLOCK &	371653		47.15	47.15	4100-031020-5409-	-
7/06/2020	6/03/2020	000367 LEBANON BLOCK &	371971		3.98	3.98	4100-031020-5409-	-
7/06/2020	6/03/2020	000367 LEBANON BLOCK &	372004		5.35	5.35	4100-031020-5409-	-
7/06/2020	6/12/2020	000367 LEBANON BLOCK &	373805		3.75	3.75	4100-031020-5409-	-
					1,490.99	1,490.99	*	
7/06/2020	6/23/2020	004672 LINKOUS, RAY	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00	*	
7/06/2020	6/05/2020	000393 LOWES	906094-FCSDEI		236.55	236.55	4100-035050-5401-	-
7/06/2020	6/05/2020	000393 LOWES	906095-FCSDEJ		94.05	94.05	4100-043020-3008-	-
7/06/2020	5/28/2020	000393 LOWES	909897-FBMTNS		41.80	41.80	4100-031020-5600-	-
7/06/2020	6/10/2020	000393 LOWES	911320-FDIWYB		236.55	236.55	4100-035010-5401-	-
7/06/2020	5/29/2020	000393 LOWES	913344-FBRGCK		18.99	18.99	4100-031020-5600-	-
					627.94	627.94	*	
7/06/2020	6/23/2020	001118 LYTTLE SHERRY	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	001118 LYTTLE SHERRY	06232020		46.00	46.00	4100-013010-5501-	-
					246.00	246.00	*	
7/06/2020	7/01/2020	003718 MALIA	07012020	10	150.00	150.00	4100-073010-5500-	-
					150.00	150.00	*	
7/06/2020	6/23/2020	004705 MAPLES, CHRISTY	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00	*	
7/06/2020	6/23/2020	004432 MARTIN, CHARLES	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00	*	
7/06/2020	6/23/2020	004701 MATTHEWS, LARRY	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00	*	
7/06/2020	6/23/2020	003640 MCGLOTHLIN DARN	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	003640 MCGLOTHLIN DARN	06232020		55.20	55.20	4100-013010-5501-	-
7/06/2020	6/23/2020	003640 MCGLOTHLIN DARN	06232020		50.00	50.00	4100-013010-3002-	-
					305.20	305.20	*	
7/06/2020	6/23/2020	003888 MCGLOTHLIN, PAT	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00	*	
7/06/2020	6/23/2020	001417 MEADE JUDY	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	001417 MEADE JUDY	06232020		34.50	34.50	4100-013010-5501-	-
					234.50	234.50	*	
7/06/2020	6/04/2020	003481 MEADE TRACTOR	10840120		315.25	315.25	4100-071040-5407-	-
7/06/2020	6/09/2020	003481 MEADE TRACTOR	10845800		142.03	142.03	4100-071040-5407-	-
					457.28	457.28	*	
7/06/2020	6/12/2020	004145 MILLER, CYNTHIA	06122020		30.00	30.00	4100-072030-3009-	-
					30.00	30.00	*	
7/06/2020	7/06/2020	003474 MONK HARRY J	MARCH-JUNE 2020		106.45	106.45	4100-013010-5501-	-
					106.45	106.45	*	
7/06/2020	6/23/2020	003993 MOORE, PAM	06232020		175.00	175.00	4100-013010-3002-	-
					175.00	175.00	*	
7/06/2020	6/03/2020	004271 MOTOROLA SOLUTI	16107815		321.86	321.86	4100-035050-5906-	-
7/06/2020	6/03/2020	004271 MOTOROLA SOLUTI	16107871		3,942.72	3,942.72	4100-035050-5906-	-
7/06/2020	6/10/2020	004271 MOTOROLA SOLUTI	16108879		2,497.66	2,497.66	4100-035050-5906-	-
7/06/2020	6/18/2020	004271 MOTOROLA SOLUTI	16110093		3,237.76	3,237.76	4100-035050-5906-	-
7/06/2020	6/18/2020	004271 MOTOROLA SOLUTI	16110093		1,280.31	1,280.31	4100-035050-7000-	-
					11,280.31	11,280.31	*	
7/06/2020	6/23/2020	003650 MOYER RICHARD	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00	*	
7/06/2020	6/23/2020	003652 MOYER VIRGINIA	06232020		200.00	200.00	4100-013010-3002-	-
7/06/2020	6/23/2020	003652 MOYER VIRGINIA	06232020		23.00	23.00	4100-013010-5501-	-
					223.00	223.00	*	
7/06/2020	6/25/2020	004511 NATIONAL TEST S	48298		4,667.25	4,667.25	4100-022010-5415-	-

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7/06/2020	6/17/2020	004511 NATIONAL TEST S	INV-48634		2,017.50	2,017.50	4100-022010-5415-	-
7/06/2020	6/24/2020	004511 NATIONAL TEST S	INV-48726		1,225.00	1,225.00	4100-022010-5415-	-
					7,909.75	7,909.75 *		
7/06/2020	12/09/2018	003123 O'REILLY AUTO P	1943-277772		22.99	22.99	4100-031020-5408-	-
7/06/2020	12/12/2018	003123 O'REILLY AUTO P	1943-278111		19.08	19.08	4100-031020-5408-	-
7/06/2020	12/13/2018	003123 O'REILLY AUTO P	1943-278271		6.63	6.63	4100-031020-5408-	-
7/06/2020	12/17/2018	003123 O'REILLY AUTO P	1943-278753		7.99	7.99	4100-031020-5408-	-
7/06/2020	7/16/2020	003123 O'REILLY AUTO P	1943-312139		33.14	33.14	4100-031020-5408-	-
7/06/2020	8/27/2019	003123 O'REILLY AUTO P	1943-318691		10.93	10.93	4100-031020-5408-	-
7/06/2020	10/11/2019	003123 O'REILLY AUTO P	1943-325695		12.99	12.99	4100-031020-5408-	-
7/06/2020	10/21/2019	003123 O'REILLY AUTO P	1943-327126		9.95	9.95	4100-031020-5408-	-
7/06/2020	10/31/2019	003123 O'REILLY AUTO P	1943-328582		17.57	17.57	4100-031020-5408-	-
7/06/2020	11/11/2019	003123 O'REILLY AUTO P	1943-330165		25.98	25.98	4100-031020-5408-	-
7/06/2020	11/27/2019	003123 O'REILLY AUTO P	1943-332329		12.28	12.28	4100-031020-5408-	-
7/06/2020	12/05/2019	003123 O'REILLY AUTO P	1943-333205		129.59	129.59	4100-031020-5408-	-
7/06/2020	12/06/2019	003123 O'REILLY AUTO P	1943-333305		195.98	195.98	4100-031020-5408-	-
7/06/2020	12/11/2019	003123 O'REILLY AUTO P	1943-333982		60.42	60.42	4100-031020-5408-	-
7/06/2020	12/12/2019	003123 O'REILLY AUTO P	1943-334008		20.50	20.50	4100-031020-5408-	-
7/06/2020	12/30/2019	003123 O'REILLY AUTO P	1943-336179		147.59	147.59	4100-031020-5408-	-
7/06/2020	1/09/2020	003123 O'REILLY AUTO P	1943-337574		149.99	149.99	4100-031020-5408-	-
					883.60	883.60 *		
7/06/2020	6/23/2020	004094 OSBORNE, CAROLY	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00 *		
7/06/2020	5/19/2020	003041 OVERDRIVE INC	01572DA20148665	10	29.95	29.95	4100-073010-5411-	-
7/06/2020	6/02/2020	003041 OVERDRIVE INC	01572DA20166842	10	35.00	35.00	4100-073010-5411-	-
					64.95	64.95 *		
7/06/2020	6/23/2020	002917 PATRICK KENNETH	06232020		2,500.00	2,500.00	4100-013010-3002-	-
7/06/2020	6/23/2020	002917 PATRICK KENNETH	06232020		158.13	158.13	4100-013010-5501-	-
					2,658.13	2,658.13 *		
7/06/2020	6/23/2020	004447 PHILLIPS, JAMES	06232020		50.00	50.00	4100-013010-3002-	-
7/06/2020	6/23/2020	004447 PHILLIPS, JAMES	06232020		50.00	50.00	4100-013010-3002-	-
					100.00	100.00 *		
7/06/2020	5/30/2020	000494 PITNEY BOWES IN	3311311382		274.65	274.65	4100-021060-5201-	-
					274.65	274.65 *		
7/06/2020	6/12/2020	004571 R.E. MICHEL COM	36597100		118.58	118.58	4100-043020-3004-	-
					118.58	118.58 *		
7/06/2020	6/23/2020	004435 RHEA, JANIS	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00 *		
7/06/2020	6/23/2020	004215 RHEA, PAMELA	06232020		165.00	165.00	4100-013010-3002-	-
					165.00	165.00 *		
7/06/2020	6/23/2020	004097 RICH, MARGARET	06232020		50.00	50.00	4100-013010-3002-	-
					50.00	50.00 *		
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605388		253.60	253.60	4100-012010-3005-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605586		166.90	166.90	4100-022010-3005-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605784		184.90	184.90	4100-021020-3005-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605897		96.97	96.97	4100-034010-5401-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605970		84.03	84.03	4100-035010-5401-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33605984		44.83	44.83	4100-022010-5415-	-
7/06/2020	6/12/2020	002812 RICOH AMERICAS	33606588		116.15	116.15	4100-032050-3005-	-
7/06/2020	6/02/2020	002812 RICOH AMERICAS	103731337	10	86.94	86.94	4100-073010-3002-	-
7/06/2020	5/21/2020	002812 RICOH AMERICAS	5059625225	10	40.53	40.53	4100-073010-3002-	-
					1,074.85	1,074.85 *		
7/06/2020	6/23/2020	004647 RING, DAVID	06232020		50.00	50.00	4100-013010-3002-	-
					50.00	50.00 *		
7/06/2020	6/24/2020	004564 ROBINETTE, CHE	06242020		2,499.00	2,499.00	4100-022010-5415-	-
					2,499.00	2,499.00 *		

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7/06/2020	6/19/2020	003192 ROBINSON FARMER	71230		4,000.00	4,000.00	4100-012080-3002-	- -
					4,000.00	4,000.00 *		
7/06/2020	6/08/2020	004698 ROMANO, CANDICE	06082020		15.00	15.00	4100-072030-3009-	- -
					15.00	15.00 *		
7/06/2020	5/20/2020	000663 RUSSELL COUNTY	BOS052020-1		3,365.88	3,365.88	4100-095010-9130-	- -
7/06/2020	5/20/2020	000663 RUSSELL COUNTY	BOS052020-2		19,942.67	19,942.67	4100-095010-9130-	- -
7/06/2020	7/01/2020	000663 RUSSELL COUNTY	JUL 2020		11,591.21	11,591.21	4100-095010-9130-	- -
					34,899.76	34,899.76 *		
7/06/2020	7/06/2020	004632 RUSSELL COUNTY	JUNE 2020		19,004.06	19,004.06	4100-082010-8025-	- -
					19,004.06	19,004.06 *		
7/06/2020	5/20/2020	001333 RUSSELL COUNTY	S200017420		233.86	233.86	4100-031020-5410-	- -
					233.86	233.86 *		
7/06/2020	6/23/2020	003061 SALYER LOIS	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	5/23/2020	000594 SAM'S CLUB/GECR	05222020		19.98	19.98	4100-043020-5405-	- -
7/06/2020	5/23/2020	000594 SAM'S CLUB/GECR	05232020		16.98	16.98	4100-043020-5405-	- -
7/06/2020	5/25/2020	000594 SAM'S CLUB/GECR	05252020		19.98	19.98	4100-043020-5405-	- -
7/06/2020	5/28/2020	000594 SAM'S CLUB/GECR	05282020		44.44	44.44	4100-043020-5405-	- -
7/06/2020	5/31/2020	000594 SAM'S CLUB/GECR	05312020		16.98	16.98	4100-043020-5405-	- -
7/06/2020	6/02/2020	000594 SAM'S CLUB/GECR	06022020		43.96	43.96	4100-043020-5405-	- -
7/06/2020	6/03/2020	000594 SAM'S CLUB/GECR	06032020		25.96	25.96	4100-043020-5405-	- -
7/06/2020	6/04/2020	000594 SAM'S CLUB/GECR	06042020		81.78	81.78	4100-043020-5405-	- -
					270.06	270.06 *		
7/06/2020	7/06/2020	004017 SCOTT, HERBERT	MAY-JUNE 2020		212.75	212.75	4100-013010-5501-	- -
					212.75	212.75 *		
7/06/2020	6/23/2020	004434 SCOTT, TABETHA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/15/2020	004697 SHARP BUSINESS	981-1118021		6,829.00	6,829.00	4100-035050-7006-	- -
7/06/2020	6/15/2020	004697 SHARP BUSINESS	981-1118851		1,984.50	1,984.50	4100-035050-7006-	- -
					8,813.50	8,813.50 *		
7/06/2020	6/22/2020	003380 SHENTEL	06222020		37.73	37.73	4100-035050-5413-	- -
					37.73	37.73 *		
7/06/2020	6/23/2020	004428 SHORTER, BRIAN	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	004428 SHORTER, BRIAN	06232020		17.25	17.25	4100-013010-5501-	- -
7/06/2020	6/23/2020	004428 SHORTER, BRIAN	06232020		150.00	150.00	4100-013010-3002-	- -
					367.25	367.25 *		
7/06/2020	6/04/2020	001299 SIGN SHOP OF SO	3584		370.00	370.00	4100-042400-5413-	- -
					370.00	370.00 *		
7/06/2020	6/23/2020	004122 SIMMONS CHERILY	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/23/2020	001104 SIZEMORE SHARO	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	001104 SIZEMORE SHARO	06232020		25.30	25.30	4100-013010-5501-	- -
7/06/2020	6/23/2020	001104 SIZEMORE SHARO	06232020		50.00	50.00	4100-013010-3002-	- -
					275.30	275.30 *		
7/06/2020	6/23/2020	004518 SMITH, CINDY	06232020		300.00	300.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	004518 SMITH, CINDY	06232020		59.80	59.80	4100-013010-5501-	- -
7/06/2020	6/23/2020	004518 SMITH, CINDY	06232020		50.00	50.00	4100-013010-3002-	- -
					409.80	409.80 *		
7/06/2020	6/23/2020	003630 SNIPES SASHEEN	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/05/2020	004579 SOUTHERN REFRIG	3757948		794.26	794.26	4100-043020-3004-	- -
7/06/2020	6/16/2020	004579 SOUTHERN REFRIG	3766093		396.66	396.66	4100-043020-3004-	- -
					1,190.92	1,190.92 *		
7/06/2020	6/15/2020	002986 SOUTHWEST VA CR	1111		18,550.00	18,550.00	4100-031020-5600-	- -
					18,550.00	18,550.00 *		

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7/06/2020	5/31/2020	001700 SOUTHWEST VA VE	126753		557.97	557.97	4100-031020-5409-	- -
7/06/2020	6/25/2020	001700 SOUTHWEST VA VE	127636		3,660.12	3,660.12	4100-035010-5404-	- -
					4,218.09	4,218.09 *		
7/06/2020	6/23/2020	004702 STEVENS, RACHEL	06232020		50.00	50.00	4100-013010-3002-	- -
					50.00	50.00 *		
7/06/2020	6/23/2020	003997 STINSON, JANET	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/01/2020	004491 STRATEGIC SOLUT	3223025	10	55.00	55.00	4100-073010-3002-	- -
7/06/2020	5/31/2020	004491 STRATEGIC SOLUT	3223096	10	93.75	93.75	4100-073010-3002-	- -
					148.75	148.75 *		
7/06/2020	6/23/2020	004216 SULLIVAN, RUSSE	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	004216 SULLIVAN, RUSSE	06232020		24.15	24.15	4100-013010-5501-	- -
					224.15	224.15 *		
7/06/2020	6/23/2020	004516 SWINFORD, DEBBI	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	6/22/2020	004121 TELE-OPTICS COM	2488		315.00	315.00	4100-094010-7056-	- -
					315.00	315.00 *		
7/06/2020	6/17/2020	003096 THE CHANGE COMP	194783		326.68	326.68	4100-022010-5415-	- -
					326.68	326.68 *		
7/06/2020	6/01/2020	004601 THE HOME DEPOT	553590480		135.03	135.03	4100-043020-5405-	- -
					135.03	135.03 *		
7/06/2020	5/13/2020	000366 THE LEBANON NEW	135022		39.60	39.60	4100-012130-5802-	- -
7/06/2020	5/20/2020	000366 THE LEBANON NEW	135067		39.60	39.60	4100-012130-5802-	- -
7/06/2020	5/27/2020	000366 THE LEBANON NEW	135123		79.20	79.20	4100-011010-3007-	- -
7/06/2020	5/27/2020	000366 THE LEBANON NEW	135124		79.20	79.20	4100-011010-3007-	- -
7/06/2020	5/27/2020	000366 THE LEBANON NEW	135125		46.20	46.20	4100-011010-3007-	- -
7/06/2020	5/27/2020	000366 THE LEBANON NEW	135126		39.60	39.60	4100-013010-3007-	- -
					323.40	323.40 *		
7/06/2020	6/03/2020	003513 THE SHERWIN-WIL	3267-9		276.35	276.35	4100-042400-5407-	- -
					276.35	276.35 *		
7/06/2020	6/23/2020	004086 THOMAS, FREDA J	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/22/2020	000680 TOWN OF HONAKER	06222020		175.48	175.48	4100-043020-5103-	- -
7/06/2020	6/22/2020	000680 TOWN OF HONAKER	06222020		38.39	38.39	4100-071040-5103-	- -
					213.87	213.87 *		
7/06/2020	6/04/2020	000696 TREASURER OF VI	20948		2,015.77	2,015.77	4100-021060-3002-	- -
					2,015.77	2,015.77 *		
7/06/2020	4/05/2020	002133 TREASURER OF VI	04052020		20.00	20.00	4100-035030-3001-	- -
					20.00	20.00 *		
7/06/2020	6/23/2020	000669 TREASURER VA TE	4TH QTR. 2020		10,842.08	10,842.08	4100-083050-1003-	- -
7/06/2020	6/23/2020	000669 TREASURER VA TE	4TH QTR. 2020		3,550.78	3,550.78	4100-083050-2003-	- -
7/06/2020	6/23/2020	000669 TREASURER VA TE	4TH QTR. 2020		1,167.96	1,167.96	4100-083050-1003-	- -
					15,560.82	15,560.82 *		
7/06/2020	6/23/2020	004210 TRENT, TINA	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	5/18/2020	000700 TRI CITY BUSINE	AR17233	10	132.75	132.75	4100-073010-3002-	- -
					132.75	132.75 *		
7/06/2020	6/03/2020	000706 TWO WAY RADIO I	104000455		700.00	700.00	4100-031020-7003-	- -
7/06/2020	4/15/2020	000706 TWO WAY RADIO I	104000434		364.00	364.00	4100-031020-7003-	- -
7/06/2020	6/01/2020	000706 TWO WAY RADIO I	800001760		67.50	67.50	4100-031020-7003-	- -
7/06/2020	6/01/2020	000706 TWO WAY RADIO I	800001764		135.00	135.00	4100-031020-7003-	- -
					1,266.50	1,266.50 *		
7/06/2020	6/02/2020	002814 ULINE	120575619		503.68	503.68	4100-042400-5413-	- -
					503.68	503.68 *		
7/06/2020	6/05/2020	000722 VACO	06052020		1,408.50	1,408.50	4100-011010-5801-	- -
					1,408.50	1,408.50 *		

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7/06/2020	6/15/2020	003553 VDFP	90983		600.00	600.00	4100-043020-3009-	- -
					600.00	600.00 *		
7/06/2020	6/12/2020	003229 VERIZON WIRELES	9856518169		3,685.68	3,685.68	4100-031020-5203-	- -
					3,685.68	3,685.68 *		
7/06/2020	7/06/2020	002368 VIRGINIA COURT	07062020		320.00	320.00	4100-011010-5801-	- -
					320.00	320.00 *		
7/06/2020	6/09/2020	003115 VIRGINIA ELECTR	3011732-IN		97.50	97.50	4100-043020-3004-	- -
7/06/2020	6/18/2020	003115 VIRGINIA ELECTR	3012623-IN		792.00	792.00	4100-042400-5413-	- -
					889.50	889.50 *		
7/06/2020	6/11/2020	001834 WALLACE MARY F	06112020		15.00	15.00	4100-072030-3009-	- -
					15.00	15.00 *		
7/06/2020	6/19/2020	004278 WELLS FARGO VEN	103814177		91.67	91.67	4100-012100-3005-	- -
7/06/2020	6/24/2020	004278 WELLS FARGO VEN	103825097		157.52	157.52	4100-031020-3005-	- -
					249.19	249.19 *		
7/06/2020	6/26/2020	004704 WENDELL'S	2484531		446.86	446.86	4100-022010-5415-	- -
					446.86	446.86 *		
7/06/2020	6/23/2020	004208 WHITED, EMMA	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	6/23/2020	004212 WHITED, MARTY	06232020		175.00	175.00	4100-013010-3002-	- -
					175.00	175.00 *		
7/06/2020	4/15/2020	003033 WHOLESale SUPPL	704209		331.00	331.00	4100-094010-7054-	- -
					331.00	331.00 *		
7/06/2020	6/23/2020	001093 WISE JAMES JR	06232020		200.00	200.00	4100-013010-3002-	- -
7/06/2020	6/23/2020	001093 WISE JAMES JR	06232020		19.55	19.55	4100-013010-5501-	- -
					219.55	219.55 *		
7/06/2020	6/23/2020	004209 WISE, DARLENE	06232020		165.00	165.00	4100-013010-3002-	- -
					165.00	165.00 *		
7/06/2020	5/07/2020	000219 XPRESS LUBE	05072020		63.89	63.89	4100-031020-5408-	- -
7/06/2020	5/19/2020	000219 XPRESS LUBE	05192020		59.57	59.57	4100-031020-5408-	- -
7/06/2020	5/21/2020	000219 XPRESS LUBE	05212020		63.89	63.89	4100-031020-5408-	- -
					187.35	187.35 *		
		TOTAL FOR DUE DATE 7/06/2020			290,115.11	290,115.11		
		TOTAL DUE FOR FUND- 4100			290,115.11	290,115.11		

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7/06/2020	6/16/2020	004700 BT CONFERENCING	INV068445		10,238.22	10,238.22	4208-043020-5413-	- -
					10,238.22	10,238.22 *		
7/06/2020	6/10/2020	002113 DAVIS PATRICIA	06102020		18.00	18.00	4208-043020-5409-	- -
					18.00	18.00 *		
7/06/2020	6/10/2020	003971 FLORENCE, JOY	06102020		42.00	42.00	4208-043020-5409-	- -
					42.00	42.00 *		
7/06/2020	5/18/2020	003237 HIGHLANDS GLASS	24266		488.59	488.59	4208-043020-5413-	- -
7/06/2020	6/17/2020	003237 HIGHLANDS GLASS	24523		145.60	145.60	4208-043020-5413-	- -
					634.19	634.19 *		
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2392		450.00	450.00	4208-043020-5413-	- -
7/06/2020	6/25/2020	003866 INNOVATIVE TECH	2402		1,020.00	1,020.00	4208-043020-5413-	- -
					1,470.00	1,470.00 *		
7/06/2020	6/10/2020	004694 ISRAEL, DONNA	06102020		24.00	24.00	4208-043020-5409-	- -
					24.00	24.00 *		
7/06/2020	6/10/2020	002824 JESSEE TRACI	06102020		24.00	24.00	4208-043020-5409-	- -
					24.00	24.00 *		
7/06/2020	6/28/2020	002142 KESTNER MAX	1445		15.20	15.20	4208-043020-5413-	- -
					15.20	15.20 *		
7/06/2020	5/20/2020	004685 LEBANON APPAREL	003		300.00	300.00	4208-043020-5409-	- -
					300.00	300.00 *		
7/06/2020	5/21/2020	000367 LEBANON BLOCK &	05212020		66.70	66.70	4208-043020-5413-	- -
7/06/2020	5/07/2020	000367 LEBANON BLOCK &	366676		126.67	126.67	4208-043020-5413-	- -
7/06/2020	5/07/2020	000367 LEBANON BLOCK &	366812		57.98	57.98	4208-043020-5413-	- -
7/06/2020	5/08/2020	000367 LEBANON BLOCK &	366891		14.35	14.35	4208-043020-5413-	- -
7/06/2020	5/08/2020	000367 LEBANON BLOCK &	367022		25.76	25.76	4208-043020-5413-	- -
7/06/2020	5/11/2020	000367 LEBANON BLOCK &	367636		5.55	5.55	4208-043020-5413-	- -
7/06/2020	5/20/2020	000367 LEBANON BLOCK &	369164		4.05	4.05	4208-043020-5413-	- -
7/06/2020	5/22/2020	000367 LEBANON BLOCK &	369573	10	9.44	9.44	4208-043020-5413-	- -
					310.50	310.50 *		
7/06/2020	6/04/2020	000393 LOWES	902158-FCMOOE		224.90	224.90	4208-043020-5413-	- -
					224.90	224.90 *		
7/06/2020	5/31/2020	003609 MATHIS RECORDIN	1500		3,280.79	3,280.79	4208-043020-5413-	- -
					3,280.79	3,280.79 *		
7/06/2020	6/17/2020	004601 THE HOME DEPOT	556618387		157.76	157.76	4208-043020-5409-	- -
					157.76	157.76 *		
7/06/2020	6/18/2020	003513 THE SHERWIN-WIL	3776-9		20.24	20.24	4208-043020-5413-	- -
					20.24	20.24 *		
7/06/2020	6/10/2020	004695 YATES, JOANNA L	06102020		6.00	6.00	4208-043020-5409-	- -
					6.00	6.00 *		
		TOTAL FOR DUE DATE 7/06/2020			16,765.80	16,765.80		
		TOTAL DUE FOR FUND- 4208			16,765.80	16,765.80		





**Board of Supervisors**  
137 Highland Drive  
Lebanon, VA 24266

Action Item  
Presenters - Attorney

**Meeting: 7/6/20 6:00 PM**

---

## County Attorney Reports

1. **VRA Resolution for the RC PSA Financial & Support Agreements.....B-1**
2. **VRA Resolution for the RC PSA Financial & Support Agreement for  
Glade Hollow Water Project.....B-2**
3. **Personnel Policy.....B-3**

### Staff Recommendation:

Board Discretion.

### Suggested Motion:

Motion Required.

### ATTACHMENTS:

- Various

**From:** [Carter R. Brothers](#)  
**To:** [Katie Patton](#); [lonzo.lester@russellcountyva.us](mailto:lonzo.lester@russellcountyva.us)  
**Cc:** [Rhonda Lester](#); [Rita Baker](#)  
**Subject:** Meeting materials for BOS July 6th meeting: authorizing resolutions and financing agreements [STB-WORKSITE.FID913284]  
**Date:** Tuesday, June 30, 2020 3:21:29 PM  
**Attachments:** [VRA Russell County PSA Drinking Water Financing Agreement \(WSL-020-18\) 17655759\(3\).DOC](#)  
[VRA Russell County PSA Drinking Water Master Financing Agreement 17752548\(2\).DOC](#)  
[VRA Russell County PSA - Wastewater Financing Assumption Agreement \(C-515537-02\) 18551972\(1\).DOC](#)  
[BOS Resolution authorizing Support Agreements for consolidation project.pdf](#)  
[BOS Resolution authorizing Support Agreement for new money.pdf](#)

---

Katie,

Here are the resolutions that need to be approved by the County in order to authorize the new support agreements for the consolidated bonds and the new Glade Hill bond. I've also attached the current version of the three financing agreements related to the project, each of which has the support agreement as an exhibit.

Summary:

1. For the consolidation project, VRA intends to replace all of the existing VRA debt owed by Castlewood WSA, the County, and the PSA with three new bonds.
  - a. Two of the bonds will be consolidations of the outstanding debt owed to VRA on the drinking water side, set up as one bond with 0% interest and one bond with cost of funds at 2.25%. These bonds will be issued pursuant to the attached "Master Financing Agreement, which requires the County to sign the support agreement found as Exhibit K.
  - b. The third consolidation bond will replace the Castlewood WSA's existing wastewater bond. This new bond will be issued pursuant to the Wastewater Financing Assumption Agreement, which requires the County's signature to the support agreement found at Exhibit I.
  - c. The resolution authorizing the County to sign the support agreements for the consolidation project is attached as "BOS Resolution authorizing Support Agreements for consolidation project."
2. The Glade Hill/Glade Hollow bond will be issued pursuant to the Drinking Water Financing Agreement (WSL-020-18), which requires the County's signature to the support agreement found at Exhibit H.
  - a. The resolution authorizing the County to sign the support agreement for the Glade Hill/Glade Hollow bond is attached as "BOS Resolution authorizing Support Agreement for new money."

**Please let me know if these resolutions can be added to the BOS agenda for July**

**6<sup>th</sup>**. I apologize for the late notice. If these resolution are considered, the clerk will need to complete the vote/attendance certificate on the last page of each resolution. The Financing Agreements (and the Support Agreements attached as exhibits) do not get signed on the 6<sup>th</sup> but should be provided to the BOS at the meeting to review; once closing is scheduled, I will circulate closing instructions to all involved.

Thanks,  
Carter

**Carter R. Brothers**

Spilman Thomas & Battle, PLLC  
Member  
O 540.512.1805  
M 540.556.9857  
[cbrothers@spilmanlaw.com](mailto:cbrothers@spilmanlaw.com)

---

**From:** Gilliland, Megan M. <mmgilliland@kaufcan.com>  
**Sent:** Tuesday, June 30, 2020 2:21 PM  
**To:** Carter R. Brothers <CBrothers@spilmanlaw.com>  
**Subject:** Russell PSA financing agreements

Here are latest circulated versions.

Megan Martz Gilliland  
**Kaufman & Canoles, P.C.**  
Two James Center  
1021 East Cary Street, Suite 1400  
Richmond, VA 23219-4058  
T (804) 771.5742  
F (888) 360.9092  
[mmgilliland@kaufcan.com](mailto:mmgilliland@kaufcan.com)  
[www.kaufCAN.com](http://www.kaufCAN.com)

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA AUTHORIZING THE EXECUTION OF SUPPORT AGREEMENTS PROVIDING FOR RUSSELL COUNTY'S MORAL OBLIGATION TO MAKE CERTAIN APPROPRIATIONS WITH RESPECT TO CERTAIN WATER AND SEWER REVENUE BONDS OF RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

The Russell County Public Service Authority (the "Authority") proposes to issue certain Water and Sewer Revenue Bonds, Series 2020 (the "Bonds") to the Virginia Resources Authority ("VRA"), as Administrator of the Virginia Water Supply Revolving Fund and as Administrator of the Virginia Water Facilities Revolving Fund, as part of a consolidation project (the "Project") in which the Authority will assume certain bonds issued by the Castlewood Water and Sewage Authority and by Russell County, Virginia (the "County") and make amendments and restatements to certain bonds issued by the Authority .

The Authority has requested the Board of Supervisors of the County to facilitate the issuance and sale of the Bonds by consenting to the issuance of the Bonds and providing for the County's moral obligation to make certain appropriations to the Authority with respect to the Bonds and the Authority's water and sewer system (the "System"), of which the improvements originally financed by the bonds being assumed and restated by the Project are a part.

As part of its plan for financing the Project, the Authority proposes to execute the following documents, drafts of which have been presented to the Board of Supervisors at this meeting:

- a. a Master Financing Agreement between the Authority and the VRA as Administrator of the Virginia Water Supply Revolving Fund, and a Financing Assumption Agreement between the Authority and the VRA, as Administrator of the Virginia Water Facilities Revolving Fund (collectively, the "Financing Agreements"); and
- b. an Amended and Restated Support Agreement between the Authority, the Board of Supervisors of the County, and the VRA as Administrator of the Virginia Water Supply Revolving Fund, and an Amended and Restated Support Agreement between the Authority, the Board of Supervisors, and the VRA, as Administrator of the Virginia Water Facilities Revolving Fund (collectively, the "Support Agreements").

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA:**

1. The Authority's plan of financing for the Project, substantially on the terms set forth in the Financing Agreements and which involves the issuance of the Bonds, is approved, and the Board of Supervisors finds that the issuance of the Bonds will benefit the inhabitants of Russell County. The Board of Supervisors consents to the issuance of the Bonds, substantially on the terms set forth in the Financing Agreements.

2. The Board of Supervisors agrees, in accordance with the Support Agreements, to pay to the Authority amounts sufficient to pay the debt service under the Bonds and any other indebtedness secured by or payable from the revenues of the System, including the Existing Parity Bonds set forth in each of the Financing Agreements, the operation and maintenance expense of the System of which the Project is a part, and additional payments for costs and expenses related to any amendment, waiver, consent, or collection or enforcement proceedings under the Financing Agreements, subject to annual appropriation by the Board of Supervisors, all on the terms and conditions to be provided in the Support Agreements. The County's obligations to make payments to the Authority pursuant to this resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors for such purpose. Nothing in this resolution, the Bonds, or the Support Agreements shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the County.

3. The Board of Supervisors of the County acknowledges that (i) the obligations of the Authority to determine, and of the County to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreements) are crucial to the security for the Bonds, (ii) VRA would not purchase the Bond without the security and credit enhancement provided by the Support Agreements, (iii) VRA will be a third party beneficiary of each of the Support Agreements for so long as the Bonds remain outstanding, and (iv) VRA is treating each of the Support Agreements as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 of the Virginia Code provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

4. Any one of the Chairman or Vice-Chairman of the Board of Supervisors or the County Administrator is authorized and directed to execute and deliver each of the Support Agreements. Each of the Support Agreement shall be in substantially the forms presented at this meeting, which are approved, with such completions, omissions, insertions and changes as may be approved by the officer executing the agreement, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions or changes. The County Administrator is authorized and directed to take such actions and give such notices as may be required of him under the Support Agreements.

5. This resolution shall take effect immediately upon its adoption. Unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given in the Financing Agreements.

\* \* \*

The undersigned Clerk of the Board of Supervisors of Russell County, Virginia (the “Board of Supervisors”), certifies that the foregoing constitutes a true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors held on July 6, 2020. I further certify that such meeting was regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. I further certify that the minutes of such meeting reflect the attendance of the members and the voting on the foregoing resolution as follows:

<b>Members</b>	<b>Attendance</b>	<b>Vote</b>

**WITNESS MY HAND** and the seal of the Board of Supervisors of Russell County, Virginia, this \_\_\_ day of July, 2020.

**(SEAL)**

\_\_\_\_\_  
Clerk of the Board of Supervisors  
of Russell County, Virginia

#13125586  
016049.0009

**RESOLUTION OF THE BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA AUTHORIZING THE EXECUTION OF A SUPPORT AGREEMENT PROVIDING FOR RUSSELL COUNTY'S MORAL OBLIGATION TO MAKE CERTAIN APPROPRIATIONS WITH RESPECT TO A WATER AND SEWER REVENUE BOND BY THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

The Russell County Public Service Authority (the "Authority") proposes to issue its not to exceed \$418,700 Water and Sewer Revenue Bond, Series 2020 (the "Bond") to the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund (the "VRA"), to finance waterline replacements in the **Glade Hollow community in Russell County** and **waterline extensions in the Glade Hill community in Russell County** (the "Project") as improvements to the Authority's water and sewer system (the "System").

The Authority has requested the Board of Supervisors of Russell County, Virginia (the "County") to facilitate the issuance and sale of the Bond by consenting to the issuance of the Bonds and providing for the County's moral obligation to make certain appropriations to the Authority with respect to the Bond and the System, of which the Project is a part.

As part of its plan for financing the Project, the Authority proposes to execute the following documents, drafts of which have been presented to the Board of Supervisors at this meeting:

- a. a Financing Agreement (the "Financing Agreement") between the Authority and the VRA; and
- b. a Support Agreement (the "Support Agreement"), between the Authority, the Board of Supervisors of the County, and the VRA.

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA:**

1. The Authority's plan of financing for the Project, substantially on the terms set forth in the Financing Agreement and which involves the issuance of the Bond, is approved, and the Board of Supervisors finds that the issuance of the Bond will benefit the inhabitants of Russell County. The Board of Supervisors consents to the issuance of the Bond.

2. The Board of Supervisors agrees, in accordance with the Support Agreement, to pay to the Authority amounts sufficient to pay the debt service under the Bond and any other indebtedness secured by or payable from the revenues of the System, including the Existing Parity Bonds set forth on Exhibit F to the Financing Agreement, the operation and maintenance expense of the System of which the Project is a part, and additional payments for costs and expenses related to any amendment, waiver, consent, or collection or enforcement proceedings under the Financing Agreement, subject to annual appropriation by the Board of Supervisors, all on the terms and conditions to be provided in the Support Agreement. The County's obligations to make payments to

the Authority pursuant to this resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors for such purpose. Nothing in this resolution, the Bond, or the Support Agreement shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the County.

3. The Board of Supervisors of the County acknowledges that (i) the obligations of the Authority to determine, and of the County to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Bonds, (ii) VRA would not purchase the Bond without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Support Agreement for so long as the Bond remain outstanding, and (iv) VRA is treating the Support Agreement as a “local obligation” within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the “Virginia Code”), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA’s bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 of the Virginia Code provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

4. Any one of the Chairman or Vice-Chairman of the Board of Supervisors or the County Administrator is authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the forms presented at this meeting, which are approved, with such completions, omissions, insertions and changes as may be approved by the officer executing the agreement, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions or changes. The County Administrator is authorized and directed to take such actions and give such notices as may be required of him under the Support Agreement.

5. This resolution shall take effect immediately upon its adoption. Unless otherwise defined, each capitalized term used in this Resolution shall have the meaning given in the Financing Agreement.

\* \* \*

The undersigned Clerk of the Board of Supervisors of Russell County, Virginia (the “Board of Supervisors”), certifies that the foregoing constitutes a true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors held on July 6, 2020. I further certify that such meeting was regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. I further certify that the minutes of such meeting reflect the attendance of the members and the voting on the foregoing resolution as follows:

<b>Members</b>	<b>Attendance</b>	<b>Vote</b>

**WITNESS MY HAND** and the seal of the Board of Supervisors of Russell County, Virginia, this \_\_\_ day of July, 2020.

**(SEAL)**

\_\_\_\_\_  
Clerk of the Board of Supervisors  
of Russell County, Virginia

#13125586  
016049.0009

**MASTER FINANCING AGREEMENT**

**dated as of \_\_\_\_\_ 1, 2020**

**BETWEEN**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Supply Revolving Fund**

**AND**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

Virginia Resources Authority  
Virginia Water Supply Revolving Fund

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[To Be Updated]

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## **EXHIBITS**

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- Exhibit B - Project Descriptions
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- Exhibit D - Opinion of Borrower's Bond Counsel
- Exhibit E - Form of Requisition
- Exhibit F - Original Bonds
- Exhibit G - Original Financing Agreements
- Exhibit H - Existing Parity Bonds
- Exhibit I - Debt Service Schedules
- Exhibit J - Form of Budget
- Exhibit K - Support Agreement

## MASTER FINANCING AGREEMENT

**THIS MASTER FINANCING AGREEMENT** is made as of this first day of \_\_\_\_\_, 2020, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER SUPPLY REVOLVING FUND** (the “Fund”), and **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**, a body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Borrower”).

Pursuant to Chapter 23, Title 62.1 of the Code of Virginia (1950), as amended (the “Act”), the General Assembly created a permanent and perpetual fund known as the “Virginia Water Supply Revolving Fund” (the “Fund”). In conjunction with the Board of Health, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance or refinance the costs of water supply facilities within the meaning of Section 62.1-233 of the Act.

The Borrower has requested certain loans from the Fund and has evidenced its obligation to repay such loans by its bonds as described on Exhibit F (the “Russell PSA Bonds”) pursuant to Financing Agreements as described on Exhibit G, between the Authority, as Administrator of the Fund, and the Borrower. The Borrower has requested that the Authority agree to amendments to and restatements of the Financing Agreements as described on Exhibit G (the “Russell PSA Financing Agreement”), between the Authority and the Borrower, with respect to the Russell PSA Bonds.

The Castlewood Water and Sewage Authority (“Castlewood WSA”) has previously issued its bonds as described on Exhibit F (the “Castlewood WSA Bonds”) pursuant to Financing Agreements as described on Exhibit G, between the Authority, as Administrator of the Fund, and Castlewood WSA (the “Castlewood WSA Financing Agreements”). Castlewood WSA has agreed to transfer to the Borrower the facilities financed by the Castlewood WSA Bonds and the Borrower has agreed to assume the Castlewood WSA Bonds. The parties desire to provide for the assumption by the Borrower of the obligations of the Castlewood WSA with respect to the Castlewood WSA Bonds, on the terms and conditions stated in this Agreement.

The County of Russell, Virginia (the “County”) has previously issued its bonds as described on Exhibit F (the “County Bonds”) pursuant to Financing Agreements as described on Exhibit G, between the Authority, as Administrator of the Fund, and the County (the “County Financing Agreements”). The County has agreed to transfer to the Borrower the facilities financed by the County Bonds and the Borrower has agreed to assume the County Bonds. The parties desire to provide for the assumption by the Borrower of the obligations of the County with respect to the County Bonds, on the terms and conditions stated in this Agreement.

### **ARTICLE I** **DEFINITIONS**

**Section 1.1. Definitions.** The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and

any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

**“Additional Payments”** means the payments required by Section 6.2.

**“Agreement”** means this Master Financing Agreement between the Authority and the Borrower, together with any amendments or supplements hereto.

**“Annual Administrative Fee”** means the portion of the Cost of Funds specified in Section 6.1 and Exhibit I payable as an annual fee for administrative and management services attributable to certain of the Local Bonds.

**“Authorized Representative”** means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

**“Board”** means the Virginia Board of Health.

**“Castlewood WSA”** means The Castlewood Water and Sewage Authority.

**“Castlewood WSA Bonds”** means, collectively, the bonds and any allonges thereto described in Exhibit F issued by Castlewood WSA to the Authority, as Administrator of the Fund.

**“Castlewood WSA Financing Agreements”** means, collectively, the financing agreements between the Authority and Castlewood WSA as further described on Exhibit G.

**“Closing Date”** means the date of delivery of the Local Bonds to the Authority, as Administrator of the Fund.

**“Consulting Engineer”** means the engineer or firm of independent consulting engineers of recognized standing and experienced in the field of sanitary engineering and registered to do business in Virginia which is designated by the Borrower from time to time as the Borrower’s consulting engineer in accordance with Section 4.5 in a written notice to the Authority. Such individual or firm shall be subject to the reasonable approval of the Authority. Unless and until the Authority notifies the Borrower otherwise, any of the Borrower’s employees that are licensed and registered as professional engineers in the Commonwealth of Virginia may serve as Consulting Engineer under this Agreement.

**“Cost of Funds”** means interest, including the part thereof allocable to the Annual Administrative Fee, if any, payable as set forth in Section 6.1 and Exhibit I.

**“County”** means the County of Russell, Virginia.

**“County Bonds”** means, collectively, the bonds and any allonges thereto described in Exhibit F issued by the County to the Authority, as Administrator of the Fund.

**“County Financing Agreements”** means, collectively, the financing agreements between the Authority and the County as further described on Exhibit G.

**“Default”** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

**“Department”** means the Virginia Department of Health.

**“Event of Default”** shall have the meaning set forth in Section 11.1.

**“Existing Parity Bonds”** means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described on Exhibit H, that on the respective dates of the Local Bonds’ issuance and delivery were secured by or payable from a pledge of Revenues on a parity with the pledge of Revenues securing the Local Bonds.

**“Fiscal Year”** means the period of twelve months established by the Borrower as its annual accounting period.

**“Financing Agreements”** means, collectively, the Castlewood WSA Financing Agreements, the County Financing Agreements and the Russell PSA Financing Agreements.

[**“Funding Agreement”** means the Funding Agreement, dated as of the date hereof, between the Authority, as Administrator of the Fund, and the Borrower.]

**“Local Bonds”** means the bonds relating to the assumption of the Castlewood WSA Bonds and the County Bonds and the amendment and restatement of the Russell PSA Bonds, substantially in the forms attached to this Financing Agreement as Exhibit A, issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Agreement.

**“Local Bond Proceeds”** means the aggregate proceeds from the sale of the Local Bonds pursuant to this Agreement.

**“Local Resolution”** means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement, the Master Parity Agreement and the Transfer Agreement and the execution, issuance and delivery of the Local Bonds.

**“Master Parity Agreement”** means the Master Parity Agreement dated as of \_\_\_\_\_, 2020, among the Authority, the Borrower and United States of America, acting by and through the Rural Utilities Service, an agency of the United States Department of Agriculture.

**“Net Proceeds”** means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorneys’ fees and expenses of the Authority and all other expenses incurred in the collection of such gross proceeds.

**“Net Revenues Available for Debt Service”** means the Revenues less amounts necessary to pay Operation and Maintenance Expense.

**“Operation and Maintenance Expense”** means the costs of operating and maintaining the System determined pursuant to generally accepted accounting principles, exclusive of (i) interest on any debt secured by or payable from Revenues, (ii) depreciation and any other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

**“Opinion of Counsel”** means a written opinion of recognized bond counsel, acceptable to the Authority.

**“Original Bonds”** means, collectively, the Castlewood WSA Bonds, the County Bonds and the Russell PSA Bonds.

**“Original Financing Agreements”** means, collectively, the Castlewood WSA Financing Agreements, the County Financing Agreements and the Russell PSA Financing Agreements.

**“Parity Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower issued under Section 10.5.

**“Prior Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower secured by or payable from a pledge of Revenues all or any portion of which was superior to the pledge of Revenues securing the Local Bonds.

**“Project”** means, collectively, the particular projects described in Exhibit B, the costs of the construction, acquisition or equipping of which were financed or financing in whole or in part with the Local Bond Proceeds.

**“Project Budgets”** means, collectively, the budgets for the financing or the refinancing of each Project, copies of which are attached to this Agreement as Exhibit C.

**“Project Costs”** means the costs of the construction, acquisition or equipping of each Project, as further described in the Project Budgets, and such other costs as may be approved in writing by the Authority, provided such costs are permitted by the Act.

**“Qualified Independent Consultant”** shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a Consulting Engineer, so long as such individual is not an employee of the Borrower, and an independent certified public accountant or firm of independent certified public accountants. Such individual or firm shall be subject to the reasonable approval of the Authority.

**“Revenues”** means (i) all rates, fees, rentals, charges and income properly allocable to the System in accordance with generally accepted accounting principles or resulting from the

Borrower's ownership or operation of the System, excluding customer and other deposits subject to refund until such deposits have become the Borrower's property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Borrower, (iv) amounts that may be appropriated for and paid to the Borrower by the County under the Support Agreement or otherwise, and (v) any other income from other sources pledged by the Borrower to the payment of its Local Bonds.

**"Russell PSA Bonds"** means, collectively, the bonds and any allonges thereto described in Exhibit F issued by the Borrower to the Authority, as Administrator of the Fund.

**"Russell PSA Financing Agreements"** means, collectively, the financing agreements between the Authority and Borrower as further described on Exhibit G.

**"Service Contracts"** means the Agreement for Sale and Purchase of Water dated May 6, 2014, between the Borrower and the Buchanan County Public Service Authority; Water Sale Agreement dated July 8, 2015, between the Borrower and the Town of Honaker, Virginia; Agreement for the Bulk Sales of Water dated March 14, 2002, between the Borrower and the Town of Lebanon, Virginia; Agreement for the Bulk Sale of Water dated June 11, 2001, between the Borrower and the Tazewell County Public Service Authority; and Contract for Sale of Water dated October 3, 2013, between the Borrower and the Washington County Service Authority *[Add any service contracts transferred from Castlewood WSA and Russell County]*.

**"Subordinate Bonds"** means bonds, notes or other evidences of indebtedness of the Borrower secured by or payable from a pledge of Revenues expressly made subordinate to the pledge of Revenues securing the Local Bonds.

**"Support Agreement"** means the Amended and Restated Support Agreement, dated the date hereof, among the Borrower, the Authority and the County, substantially in the form of Exhibit K hereto.

**"System"** means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Borrower and used in connection with the collection, supply, treatment, storage or distribution of water or the collection or treatment of wastewater as the same may from time to time exist.

**"Transfer Agreement"** means the Transfer Agreement dated as of \_\_\_\_\_, 2020, among the Borrower, the County and The Castlewood Water and Sewage Authority.

**Section 1.2. Rules of Construction.** The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

## **ARTICLE II** **REPRESENTATIONS**

**Section 2.1. Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing “local government” (as defined in Section 62.1-233 of the Act) of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Local Resolution and execute and deliver this Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the other documents related thereto, (ii) issue, sell and deliver the Local Bonds to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire or equip the Project (as described in Exhibit B) and finance or refinance the Project Costs by borrowing money for such purpose pursuant to this Agreement and the issuance of the Local Bonds, (vi) pledge the Revenues of the System to the payment of the Local Bonds, and (vii) carry out and consummate all of the transactions contemplated by the Local Resolution, this Agreement, the Support Agreement and the Local Bonds.

(c) This Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the Local Bonds were duly authorized by the Local Resolution and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Local Resolution was adopted.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower’s adoption of the Local Resolution, (ii) the execution and delivery by the Borrower of this Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the Local Bonds, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, equipping, occupation, operation and use of the Project, and (v) the operation and use of the System. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement, the Master Parity Agreement, the Support Agreement and the Transfer Agreement have been executed and delivered by duly authorized officials of the Borrower and constitute a legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms.

(f) When executed and delivered in accordance with the Local Resolution and this Agreement, the Local Bonds will have been executed and delivered by duly authorized officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the Local Bonds and the execution and delivery of this Agreement, the Master Parity Agreement, the Support Agreement and the Transfer Agreement and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of, (i) to the best of the Borrower's knowledge, any Federal, or Virginia constitutional or statutory provision, including the Borrower's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bonds and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bonds. The execution and delivery by the Borrower of this Agreement, the Support Agreement or the Local Bonds and the compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Resolution, this Agreement, the Support Agreement or the Local Bonds or the issuance or

delivery of the Local Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Local Resolution, this Agreement, the Support Agreement, the Local Bonds or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Resolution, this Agreement, the Support Agreement or the Local Bonds, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Borrower to pledge the Revenues to the payment of the Local Bonds.

(k) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(l) Except as may otherwise be approved by the Authority or permitted by the terms of this Agreement, the System at all times is and will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(m) There is no indebtedness of the Borrower secured by or payable from a pledge of Revenues on a parity with or prior to the lien of the pledge of Revenues securing the Local Bonds except any Existing Parity Bonds set forth on Exhibit H.

(n) The Service Contracts are in full force and effect; no default or event of default has occurred and is continuing under the Service Contracts; and the Borrower is not currently aware of any fact or circumstance that would have an adverse impact on the Borrower's ability to set rates, to receive payments, or to exercise any other rights and remedies available to the Borrower, under or pursuant to the Service Contracts.

(o) No Event of Default or Default has occurred and is continuing.

(p) All of the representations and warranties of the Borrower contained in the Master Parity Agreement and the Transfer Agreement are true and correct and all terms of the Master Parity Agreement and the Transfer Agreement are reaffirmed, ratified and confirmed.

**ARTICLE III**  
**AMENDMENT AND RESTATEMENT OF FINANCING AGREEMENTS**

**Section 3.1. Amendment and Restatement of Financing Agreements; Assumption of Local Bonds.** (a) This Agreement in part constitutes an amendment and restatement of the Financing Agreements with respect to the Local Bonds; however, this Agreement shall not constitute a novation of the original debt evidenced by the respective Local Bonds.

(b) The Borrower agrees to assume each of Castlewood WSA's and the County's obligations to make payments of the principal and other sums that become due under its respective Local Bonds after the Closing Date. The Authority agrees to release Castlewood WSA and the County from their respective obligations under its respective Local Bonds, in accordance with the terms of this Agreement.

**Section 3.2. Conditions Precedent to Entering into the Master Financing Agreement.** This Agreement shall not be effective until the Authority shall have received the following, all in form and substance satisfactory to the Authority:

(a) The Local Bonds, [the Funding Agreement,] the Master Parity Agreement, the Support Agreement and the Transfer Agreement.

(b) A certified copy of the Local Resolution.

(c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.

(d) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(e) An Opinion of Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(f) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(g) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require, including an opinion from counsel acceptable to the Authority that the Master Parity Agreement, the Support Agreement and the Transfer Agreement are valid and enforceable against the Borrower, subject to usual and customary qualifications.

**ARTICLE IV**  
**USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT**

**Section 4.1. Application of Proceeds.**

(a) The Borrower agrees to apply the Local Bond Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees to exhibit to the Department or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Department) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Agreement;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

(i) a certificate, signed by the Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Department, the Authority shall disburse Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the Local Bond. The Authority shall have no obligation to disburse any such Local Bond Proceeds if the Borrower is in default hereunder nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable laws of the Commonwealth of Virginia, including but not limited to, the Virginia Public Procurement Act, as amended, regarding the awarding and performance of public construction contracts related to the Project. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the Local Bond to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled,

the Authority, to the extent approved by the Department and subject to the provisions of this Section and Section 4.2, will disburse to or for the account of the Borrower Local Bond Proceeds to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, principal installments due on the Local Bond shall be reduced only in accordance with Section 6.1.

**Section 4.2. Agreement to Accomplish Project.** The Borrower agrees to cause the Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Department. All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Authority and the Department through their duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Authority, with the consent of the Department, may amend the description of the Project set forth in Exhibit B.

When the Project has been completed, the Borrower shall promptly deliver to the Authority and the Department a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

**Section 4.3. Permits.** The Borrower, at its sole cost and expense, shall comply with and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Authority and the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all applicable lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Department in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed from the Fund under the Act. The Borrower shall also comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof from the Fund. Where noncompliance with such requirements is determined by the Authority or the Department, the issue shall be referred to the proper governmental authority or agency for consultation or enforcement action.

**Section 4.4. Construction Contractors.** Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%)

of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority, the Department and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder's risk insurance, workers' compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer. Upon request of the Authority, the Department or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority, the Department and the Board.

**Section 4.5. Engineering Services.** The Borrower shall retain a Consulting Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the Project. The Consulting Engineer shall certify to the Fund, the Authority and the Department as to the various stages of the completion of the Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the Project provide to the Fund, the Authority and the Department the certificates required by Sections 4.1 and 4.2.

**Section 4.6. Borrower Required to Complete Project.** If the Local Bond Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority, the Department or the Board or any abatement, diminution or postponement of the Borrower's payments under the Local Bond or this Agreement.

## **ARTICLE V**

### **PLEDGE, REVENUES AND RATES**

**Section 5.1. Pledge of Revenues; Rate Covenant.** Subject to the Borrower's right to apply Revenues to the payment of Operation and Maintenance Expense, the Revenues are hereby pledged to the Authority, as Administrator of the Fund, to secure the payment of the principal of and Cost of Funds, if any, on the Local Bonds and the payment and performance of the Borrower's obligations under this Agreement. This pledge shall be valid and binding from and after the execution and delivery of this Agreement. The Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. The lien of this pledge of the Revenues is on a parity with the lien of the pledge of the Revenues securing the Existing Parity Bonds. The lien of this pledge shall, subject to the right of the Borrower to apply Revenues to the payment of Operation and Maintenance Expense, have priority over all other obligations and liabilities of the Borrower, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge.

(a) The Borrower covenants and agrees that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 100% of the amount required during the Fiscal Year to pay the principal of and Cost of Funds, if any, on the Local Bonds, the Additional Payments and all

other indebtedness of the Borrower secured by or payable from Revenues including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles (the "Rate Covenant"). If, for any reason, the Revenues are insufficient to satisfy the foregoing covenant, the Borrower shall within ninety (90) days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expense so as to provide sufficient Revenues to satisfy such requirement.

(b) On or before the last day of each Fiscal Year, the Borrower shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Borrower's rates, fees and other charges are insufficient to satisfy the Rate Covenant, the Borrower shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operations and Maintenance Expense to cure any deficiency.

**Section 5.2. Annual Budget.** The Borrower agrees before the first day of each Fiscal Year to adopt a budget for such Fiscal Year containing all information called for by, and otherwise being in the form of, Exhibit J to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Borrower, the Revenues estimated to be generated thereby, the expenditures anticipated by the Borrower for operations, maintenance, repairs, replacements, improvements, debt service and other purposes, and specifically identifying any amounts made available by the County pursuant to the Support Agreement. Such budget as approved by the Borrower's governing body is referred to in this Agreement as the Annual Budget. The Borrower may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in a Default. The Borrower shall submit a copy of the Annual Budget and any amendments thereto to the Authority.

**Section 5.3. Qualified Independent Consultant's Report.** (a) If at the end of any Fiscal Year, the Borrower is not in compliance with the Rate Covenant, within two hundred ten (210) days after the end of such Fiscal Year, the Borrower shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Borrower to satisfy the Rate Covenant. The Borrower shall promptly furnish a copy of such report to the Authority and, subject to Section 5.3(b), take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

(b) If the Borrower determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Borrower may in lieu thereof adopt other procedures which the Borrower believes will bring it into compliance with the Rate Covenant when such measures have been implemented and become fully effective. Such alternative plan shall be filed with the Authority not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Borrower's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, the Authority reserves the right, in its sole discretion, to reject such alternate procedures and require the Borrower to comply with the Qualified Independent Consultant's recommendations.

## **ARTICLE VI** **PAYMENTS**

**Section 6.1. Payment of Local Bonds.** The Local Bonds shall be dated as of the Closing Date. The Cost of Funds, if any, of each of the Local Bonds shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate set forth on Exhibit I with respect to each of the Local Bonds. Principal and the Cost of Funds, if any, due under each of the Local Bonds shall be payable in equal installments as set forth on Exhibit I with respect to each of the Local Bonds. All amounts due hereunder and under each of the Local Bonds shall be due and payable in full with the final installment of principal and Cost of Funds, if any, due as set forth on Exhibit I with respect to each of the Local Bonds. Each installment shall be applied first to payment of the Cost of Funds, if any, accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment. If any installment of principal or the Cost of Funds, if any, on any of the Local Bonds is not paid within ten (10) days after its due date, the Borrower agrees to pay the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment on such Local Bonds.

**Section 6.2. Payment of Additional Payments.** In addition to the payments of principal of and Cost of Funds, if any, on the Local Bonds, the Borrower agrees to pay on demand of the Authority the following Additional Payments:

(1) The costs of the Fund, the Authority, the Department or the Board in connection with the enforcement of this Agreement, including the reasonable fees and expenses of any attorneys used by any of them; and

(2) All expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof.

The Borrower agrees to pay interest on any Additional Payments enumerated in (1) or (2) above not received by the Authority within ten (10) days after demand therefor at a rate of five percent (5.0%) per annum of the overdue installment from its due date until the date it is paid.

## **ARTICLE VII** **PREPAYMENTS**

**Section 7.1. Prepayment of Local Bonds.** At its option and after giving at least ten (10) days' written notice to the Authority, the Borrower may prepay the Local Bonds at any time, in whole or in part and without penalty. Such written notice shall specify the date on which the Borrower will make such prepayment and whether the Local Bonds will be prepaid in full or in part, and if in part, the principal amount to be prepaid. Any such partial prepayment shall be applied against the principal amount outstanding under the Local Bonds but shall not postpone the due date of any subsequent payment on the Local Bonds, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

## **ARTICLE VIII**

### **OWNERSHIP, OPERATION AND USE OF SYSTEM**

**Section 8.1. Ownership and Operation of Project and System.** Except as may otherwise be approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person.

**Section 8.2. Maintenance.** At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

**Section 8.3. Additions and Modifications.** At its own expense, the Borrower from time to time may make any additions, modifications or improvements to the System which it deems desirable and which do not materially reduce the value of the System or the structural or operational integrity of any part of the System, provided that all such additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

**Section 8.4. Use of System.** The Borrower shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational and other changes to the System, irrespective of the cost of making the same.

**Section 8.5. Inspection of System and Borrower's Books and Records.** The Authority and the Board and their duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

**Section 8.6. Ownership of Land.** The Borrower shall not construct, reconstruct or install any part of the System on lands other than those which the Borrower owns or can acquire

title to or a perpetual easement over, in either case sufficient for the Borrower's purposes, unless such part of the System is lawfully located in a public street or highway or is a main, conduit, pipeline, main connection or facility located on land in which the Borrower has acquired a right or interest less than a fee simple or perpetual easement and such lesser right or interest has been approved by written opinion of counsel to the Borrower as sufficient for the Borrower's purposes.

**Section 8.7. Sale or Encumbrance.** No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except as provided in any one of the following subsections, or as may be otherwise consented and agreed to by the Authority in writing:

(a) The Borrower may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System;

(b) The Borrower may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function; and

(c) The Borrower may sell or otherwise dispose of property constituting part of the System; provided, however, (i) no such property shall be sold or otherwise disposed of unless there is filed with the Authority a certificate of the Borrower, signed by an Authorized Representative, stating that such property is no longer needed or useful in the operation of the System, and, if the proceeds of such sale or disposition, together with the aggregate value of any other property sold or otherwise disposed of during the Fiscal Year, shall exceed \$125,000, there shall also be filed with the Borrower and the Authority a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System, and (ii) the proceeds to be received from any sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of and Cost of Funds, if any, on the Local Bonds, and then, if such property constitutes part of the Project, to the prepayment of the Local Bonds under Article VII hereof.

**Section 8.8. Collection of Revenues.** The Borrower shall use its best efforts to collect all rates, fees and other charges due to it, including, when appropriate, by perfecting liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Borrower shall, to the full extent permitted by law, discontinue and shut off, or cause to be discontinued and shut off, services and facilities of the System, and use its best efforts to cause to be shut off water service furnished otherwise than through the System, to customers of the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Borrower.

**Section 8.9. No Free Service.** The Borrower shall not permit connections with or the use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Borrower's uniform schedule of rates, fees and charges.

**Section 8.10. No Competing Service.** The Borrower shall not provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

**Section 8.11. Mandatory Connection.** The Borrower shall, consistent with applicable law, require the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect such building to the System; provided, however, the Borrower may permit the continued use of private systems, meeting the standards of the Board, by any such building already in existence at the time the services of the System become available to it upon such conditions as may be specified by the Borrower.

**Section 8.12. Lawful Charges.** The Borrower shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the “Governmental Charges”) which are (i) assessed, levied or imposed against the System or the Borrower’s interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Borrower shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Revenues (collectively, the “Mechanics’ Charges”). The Borrower, however, after giving the Authority ten (10) days’ notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics’ Charges. If such a contest occurs, the Borrower may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Authority, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics’ Charges promptly shall be satisfied or secured by posting with the Authority or an appropriate court a bond in form and amount reasonably satisfactory to the Authority. Upon request, the Borrower shall furnish to the Authority proof of payment of all Governmental Charges and the Mechanics’ Charges required to be paid by the Borrower under this Agreement.

## **ARTICLE IX**

### **INSURANCE, DAMAGE AND DESTRUCTION**

**Section 9.1. Insurance.** Unless the Authority otherwise agrees in writing, the Borrower continuously shall maintain or cause to be maintained insurance against such risks as are customarily insured against by public bodies operating systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System’s insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia); provided that during the construction of the Project, the Borrower may provide or cause to be provided, in lieu of the insurance in the amount of the full replacement cost of the Project, builders’ risk or similar types of insurance in the amount of the full

replacement cost thereof. The determination of replacement cost shall be made by a recognized appraiser or insurer selected by the Borrower and reasonably acceptable to the Authority.

(b) Comprehensive general liability insurance with a combined single limit of \$2,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Borrower qualifies as a self-insurer under the laws of Virginia, workers' compensation insurance.

The Authority shall not have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance, or (ii) the application of the proceeds of insurance.

The Borrower shall provide no less often than annually and upon the written request of the Authority a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in full force and effect.

**Section 9.2. Requirements of Policies.** All insurance required by Section 9.1 shall be maintained with generally recognized, responsible insurance companies selected by the Borrower and reasonably acceptable to the Authority. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System and shall contain an undertaking by the insurer that such policy shall not be modified adversely to the interests of, or canceled without at least thirty (30) days' prior notice to, the Authority. If any such insurance is not maintained with an insurer licensed to do business in Virginia or placed pursuant to the requirements of the Virginia Surplus Lines Insurance Law (Chapter 48, Title 38.2, Code of Virginia of 1950, as amended) or any successor provision of law, the Borrower shall provide evidence reasonably satisfactory to the Authority that such insurance is enforceable under Virginia law.

**Section 9.3. Notice of Damage, Destruction and Condemnation.** In the case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right therein under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title, or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 9.4. Damage and Destruction.** If all or any part of the System is destroyed or damaged by fire or other casualty, and the Borrower shall not have exercised its option to prepay in full the Local Bonds pursuant to Article VII, the Borrower shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Borrower may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Borrower may apply so much as may be necessary of the Net Proceeds of

insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bonds pursuant to Article VII.

**Section 9.5. Condemnation and Loss of Title.** If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Borrower shall not have exercised its option to prepay in full the Local Bonds pursuant to Article VII, the Borrower shall cause the Net Proceeds from any such condemnation award or from title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bonds pursuant to Article VII.

## **ARTICLE X** **SPECIAL COVENANTS**

**Section 10.1. Maintenance of Existence.** The Borrower shall maintain its existence as a “local government” (as defined in the Act) of the Commonwealth of Virginia and, without consent of the Authority and the Board, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of the Commonwealth of Virginia, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Authority and the Board, all of the obligations of the Borrower contained in the Local Bonds and this Agreement, and there is furnished to the Authority and the Board an Opinion of Counsel acceptable to the Authority and the Board subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligation of the surviving, resulting or transferee political subdivision enforceable against it in accordance with its terms.

**Section 10.2. Financial Records and Statements.** The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower

during such Fiscal Year satisfied the Rate Covenant. The Borrower shall furnish to the Authority copies of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the Borrower's operations and changes in the financial position of its funds for the Fiscal Year.

**Section 10.3. Certificate as to No Default.** The Borrower shall deliver to the Authority, within one hundred and eighty (180) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default or a Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

**Section 10.4. Additional Indebtedness.** The Borrower shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by or payable from a pledge of Revenues, except Subordinate Bonds or Parity Bonds.

**Section 10.5. Parity Bonds.** Provided the Borrower is not in default hereunder, the Borrower may issue bonds, notes or other evidences of indebtedness ("Parity Bonds") ranking on parity with the Local Bonds with respect to the pledge of Revenues to (i) pay Project Costs to complete the Project, (ii) pay the cost of improvements, additions, extensions, replacements, equipment or betterments and of any property, rights or easements deemed by the Borrower to be necessary, useful or convenient for the System, (iii) refund some or all of the Local Bonds, Parity Bonds or Existing Parity Bonds, or (iv) effect some combination of (i), (ii) and (iii); provided in each case the following conditions are satisfied. Except to the extent otherwise consented and agreed to by the Authority in writing, before any Parity Bonds are issued or delivered, the Borrower shall deliver to the Authority the following:

(a) Certified copies of all resolutions and ordinances of the Borrower authorizing the issuance of the Parity Bonds.

(b) A certificate of an appropriate official of the Borrower setting forth the purposes for which the Parity Bonds are to be issued and the manner in which the Borrower will apply the proceeds from the issuance and sale of the Parity Bonds.

(c) If the Parity Bonds are authorized for any purpose other than the refunding of the Local Bonds, Parity Bonds or Existing Parity Bonds, in form and substance satisfactory to the Authority, a certificate of the Consulting Engineer-, or with respect to subsection (iv)(C) below, a certificate, including supporting documentation, of the Qualified Independent Consultant, to the effect that in the opinion of the Consulting Engineer or Qualified Independent Consultant, as applicable, (i) the improvements or property to which the proceeds from the issuance of the Parity Bonds are to be applied will be a part of the System, (ii) the funds available to the Borrower from the issuance of the Parity Bonds and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (iii) the period of time which will be required to complete such improvements or acquire such property, and (iv) (A) the Parity Bond

proceeds are necessary to complete the Project, (B) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction of Revenues, or (C) during the first two complete Fiscal Years following completion of the improvements or the acquisition of the property financed with the proceeds of the Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bonds, this Agreement, the Parity Bonds or Existing Parity Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing this certificate, as applicable, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues of the System to be derived under then existing contractual agreements entered into by the Borrower and from reasonable estimates of growth in the customer base of the Borrower.

(d) If the Parity Bonds are authorized solely to refund the Local Bonds (with the consent of the Authority), Existing Parity Bonds or Parity Bonds, either (i) a certificate, including supporting documentation, of a Qualified Independent Consultant satisfactory to the Authority that the refunding Parity Bonds will have annual debt service requirements in each of the years the Local Bonds, Existing Parity Bonds or Parity Bonds to be refunded would have been outstanding which are lower than the annual debt service requirements in each such year on the Local Bonds, Existing Parity Bonds or Parity Bonds to be refunded, or (ii) a certificate, including supporting documentation, of the Qualified Independent Consultant to the effect that during the first two complete Fiscal Years following the issuance of the refunding Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bonds, this Agreement, the Parity Bonds or Existing Parity Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing the certificate described in clause (ii), the Qualified Independent Consultant may take into account the factors described in the last two sentences of subsection (c) of this Section.

(e) An Opinion of Counsel satisfactory to the Authority subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bonds and stating that its terms and provisions conform with the requirements of this Agreement and that the certificates and documents delivered to the Authority constitute compliance with the provisions of this Section.

**Section 10.6. Further Assurances.** The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights, Revenues and other

funds pledged or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledge of the Revenues and other funds pledged under this Agreement and all rights of the Authority and the Board under this Agreement against all claims and demands of all persons.

**Section 10.7. Other Indebtedness.** The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

**Section 10.8. Assignment by Borrower.** The Borrower may not assign its rights under this Agreement without the prior written consent of the Authority and the Board. If the Borrower desires to assign its rights under this Agreement to another “local government” (as defined in the Act), the Borrower shall give notice of such fact to the Authority and the Board. If the Authority and the Board consent to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Authority and the Board are furnished (i) an assumption agreement in form and substance satisfactory to the Authority and the Board by which the assignee agrees to assume all of the Borrower’s obligations under the Local Bonds and this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement, the Local Bonds and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under the Local Bonds and this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower’s obligations.

**Section 10.9. Davis-Bacon Act.** The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the Project and require that all laborers and mechanics employed by contractors and subcontractors for the Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 1450(e) of the Safe Drinking Water Act and related acts, as amended.

**Section 10.10. American Iron and Steel.** The Borrower agrees to comply with all federal requirements, including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76, and related Drinking Water State Revolving Fund Policy Guidelines, as amended and supplemented and in effect from time to time, with respect to the Project. Such requirements include, among other things, that all iron and steel products used for the Project are to be produced in the United States. The term “iron and steel products” is defined to mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete and construction materials.

**Section 10.11. Recordkeeping and Reporting.** The Borrower agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act and related acts, as

amended, including any reports required by a federal agency or the Authority, such as performance indicators of program deliverables, information on costs and progress with respect to the Project. The Borrower acknowledges that each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities.

**Section 10.12. Service Contracts.** The Borrower shall give prompt notice to the Authority of any renewal, extension, amendment, default or termination of any of the Service Contracts. The Borrower shall enforce the terms of such agreements and use its best efforts to ensure that such agreements remain in full force and effect during the term of this Agreement.

**Section 10.13. [Waterworks Business Operations Plan and Rate Study.** The Borrower shall provide evidence satisfactory to the Authority and the Department that the Borrower on or before \_\_\_\_\_, 2020 has presented a final rate study to the Board of Directors of the Borrower and the County Administrator, which rate study shall project and recommend rates for a five-year period commencing with the Fiscal Year ending June 30, 2021 (the “Rate Study”) that satisfy the Rate Covenant. The Rate Study shall take into account any proposed debt and future projects of the Borrower. The Borrower shall also promptly provide a copy of the Rate Study to the Authority and the Department. Furthermore, the Borrower shall submit a Waterworks Business Operations Plan to the Department as required by Section 32.1-172 of the Code of Virginia of 1950, as amended, on or before \_\_\_\_\_, 2020 for review.]

*[Add language regarding debt service and/or operating reserve]*

*[Add language regarding control over PSA and County leachate]*

## **ARTICLE XI** **DEFAULTS AND REMEDIES**

**Section 11.1. Events of Default.** Each of the following events shall be an “Event of Default”:

(a) The failure to pay when due any payment of principal or Cost of Funds, if any, due hereunder or to make any other payment required to be made under the Local Bonds or this Agreement;

(b) The Borrower’s failure to perform or observe any of the other covenants, agreements or conditions of the Local Bonds, the Support Agreement or this Agreement and the continuation of such failure for a period of thirty (30) days after the Authority gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) Any warranty, representation or other statement by or on behalf of Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bonds is false or misleading in any material respect;

(d) [The early termination of the Funding Agreement pursuant to Sections 5.3(b) and (c) thereof;]

(e) The occurrence of a default by the Borrower under the terms of any Subordinate Bonds, Parity Bonds, Existing Parity Bonds or Prior Bonds and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder;

(f) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the Revenues thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within sixty (60) days after the entry thereof;

(g) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances secured by or payable from Revenues; or

(h) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within sixty (60) days after filing.

**Section 11.2. Notice of Default.** The Borrower agrees to give the Authority prompt written notice if any order, decree or proceeding referred to in Section 11.1(f), (g) or (h) is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default immediately upon becoming aware of the existence thereof.

**Section 11.3. Remedies on Default.** Whenever any Event of Default referred to in Section 11.1 shall have happened and be continuing, the Authority shall, in addition to any other remedies provided herein or by law, including rights specified in Section 62.1-237 of the Act, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Declare immediately due and payable all payments due or to become due on the Local Bonds and under this Agreement, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due on the Local Bonds and under this Agreement, to enforce any other of the Fund's, the Authority's or the Board's rights under this Agreement, or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein or in the Local Bonds, which the Borrower hereby agrees are assigned to the Authority upon the occurrence of an Event of Default.

**Section 11.4. Delay and Waiver.** No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Default or Event of Default under this Agreement shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereto.

**Section 11.5. State Aid Intercept.** The Borrower acknowledges that the Authority may take any and all actions available to it under the laws of the Commonwealth of Virginia, including Section 62.1-216.1 of the Virginia Code, to secure payment of the principal of and Cost of Funds, if any, on the Local Bonds, if payment of such principal or Cost of Funds, if any, shall not be paid when the same shall become due and payable.

## **ARTICLE XII** **MISCELLANEOUS**

**Section 12.1. Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 12.2. Amendments.** The Authority and the Borrower, with the written consent of the Department, shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in writing and shall be signed by or on behalf of the Authority and the Borrower; provided, however, that the written consent of the Department shall not be required for the Authority and the Borrower to amend Articles I, V, IX and XI or Sections 10.4 and 10.5 of this Agreement.

**Section 12.3. Limitation of Borrower's Liability.** Notwithstanding anything in the Local Bonds or this Agreement to the contrary, the Borrower's obligations are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bonds nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Borrower and the Borrower shall not be obligated to pay the principal of or Cost of Funds, if any, on the Local Bonds or other costs incident thereto except from the Revenues and other funds pledged therefor. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Local Bonds or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bonds.

**Section 12.4. Applicable Law.** This Agreement shall be governed by the applicable laws of Virginia.

**Section 12.5. Severability.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 12.6. Notices.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bonds or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

<b>Fund:</b>	Virginia Water Supply Revolving Fund c/o Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
<b>Authority:</b>	Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
<b>Board:</b>	Virginia Department of Health 109 Governor Street Richmond, VA 23219 Attention: State Health Commissioner
<b>Borrower:</b>	The Russell County Public Service Authority  _____ _____, Virginia _____ Attention: Chairman

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Authority, the Board and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 12.7. Right to Cure Default.** If the Borrower shall fail to make any payment or to perform any act required by it under the Local Bonds or this Agreement, the Authority without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5.0%) per annum until paid. The Borrower's obligation under this Section shall survive the payment of the Local Bonds.

**Section 12.8. Headings.** The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

**Section 12.9. Term of Agreement.** This Agreement shall be effective upon its execution and delivery, provided that the Local Bonds previously or simultaneously shall have been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bonds and this Agreement shall expire upon payment in full of the Local Bonds and all other amounts payable by the Borrower under this Agreement.

**Section 12.10. Termination of Original Financing Agreements.** The Original Financing Agreements heretofore executed between the parties thereto is cancelled and terminated as of the Closing Date, provided that such cancellation and termination shall not be construed as a waiver, relinquishment or release of any claims, damages, liability, rights of action or causes of action that the parties thereto may have against the other thereunder and that have accrued before the effective date of this Agreement.

**Section 12.11. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature Page Follows]*

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Supply Revolving  
Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**LOCAL BONDS**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT B**

**PROJECT DESCRIPTIONS  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT C**  
**PROJECT BUDGETS**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT D**

**OPINION OF BORROWER'S BOND COUNSEL  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Come from Borrower's Bond Counsel]

**EXHIBIT E**  
**FORM OF REQUISITION**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Come]

## **EXHIBIT F**

### **ORIGINAL BONDS THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

“Original Bonds” means, collectively, (a) the following bonds issued by the Borrower (the “Russell PSA Bonds”):

- (1) \$99,775 The Russell County Public Service Authority Water Revenue Bond, Series 2006 (Green Valley Project);
- (2) \$1,534,941 The Russell County Public Service Authority Revenue Bond, Series 2008A (Big A Mountain Phase II Project);
- (3) \$325,227 The Russell County Public Service Authority Water Revenue Bond, Series 2010-A (Back Valley—Big A Mountain Interconnection Project);
- (4) \$1,059,765 The Russell County Public Service Authority Water Revenue Bond, Series 2011-A (Green Valley West Water Line Extension Project);
- (5) \$103,783 The Russell County Public Service Authority Water Revenue Bond, Series 2011-B (Long Branch/Strouth Creek/Fuller Mt. Water Line Extension Project);
- (6) \$700,843 The Russell County Public Service Authority Water Revenue Bond, Series 2012-A (New Garden/Finney Water Line Extension Project);
- (7) \$3,537,000 Water Revenue Refunding Bond, Series 2014;
- (8) \$93,071 Water Revenue Bond, Series 2015 (Mountain Meadows Line Extension Project);
- (9) \$294,202 Water Revenue Bond, Series 2016 (iPerl Radio Read Meter Replacement Project);
- (10) \$445,925 Water Revenue Bond, Series 2016 (Route 656 East Water Line Extension Project);
- (11) \$197,027 Water Revenue Bond, Series 2017 (Thompson Creek/Tunnel Road Waterline Extension Project); and
- (12) \$512,023 Water Revenue Bond, Series 2017 (Fincastle Estates Waterline Extension Project);

and (b) the following bonds issued by the County that have been assumed by the Borrower (the “County Bonds”):

- (13) \$672,000 Russell County Series 1988 Water Revenue Bond (RD Sword's Creek Project);
- (14) \$900,000 Russell County Sewer Revenue Bond, Series 1996 (RD Dante Project);
- (15) \$119,530 Russell County, Virginia, Water Revenue Bond, Series 1999 (RD Lynn Springs Project);
- (16) \$935,690 Russell County Revenue Bond, Series 2001A (Big A Mountain Project);
- (17) \$1,678,400 Russell County Revenue Bond, Series 2001B (Belfast Project);
- (18) \$344,477 Russell County Revenue Bond, Series 2001C (Pine Creek Project);
- (19) \$822,366 Russell County Revenue Bond, Series 2002A (Swords Creek Public Service Authority) (Clark's Valley Project);
- (20) \$556,538 Russell County Revenue Bond, Series 2005A (Drill Mountain Project);
- (21) \$91,439 Russell County Revenue Bond, Series 2005B (Clark's Valley—South Extension Water Project);
- (22) \$1,906,717 Russell County Revenue Bond, Series 2005E (Belfast –Rosedale Project);
- (23) \$415,518 Russell County Revenue Bond, Series 2006A (Miller Creek/Frank's Hollow/Honeysuckle Lane Project); and
- (24) \$197,170 Russell County Revenue Bond, Series 2007A (Belfast—Highlands and Yates Project);

and (c) the following bonds issued by Castlewood WSA that have been assumed by the Borrower (the "Castlewood WSA Bonds"):

- (25) \$350,000 Water Revenue Bond, Series of 2000 (Castlewood Water Project);
- (26) \$640,000 Water and Sewer Revenue Bond, Series 2001 (Red Oak Ridge Water Project);
- (27) \$653,250 Water and Sewer Revenue Bond, Series 2002 (Mew Road Water Project);
- (28) \$142,481 Water and Sewer Revenue Bond, Series 2002-B (Dante Sewer Project);
- (29) \$661,019 Water and Sewer Revenue Bond, Series 2004 (Carbo/Back Valley Water Project);

- (30) \$937,300 Water Revenue Bond, Series of 2005 (Dante Rehabilitation Water Project);
- (31) \$299,409 Water and Sewer Revenue Bond, Series 2006 (Seven Springs Water Project);
- (32) \$359,813 Water and Sewer Revenue Bond, Series 2008A (Castlewood Heights Water Project);
- (33) \$200,400 Water and Sewer Revenue Bond, Series 2008B (Blue Devil Water Project);
- (34) \$167,012 Water and Sewer Revenue Bond, Series 2010 (Kingland Heights Water Project);
- (35) \$100,000 Water and Sewer Revenue Bond, Series 2011 (Castlewood Phase One Water Project);
- (36) \$325,473 Water and Sewer Revenue Bond, Series 2012 (Route 58/Memorial Drive/Greystone Water Project);
- (37) \$2,200,000 Sewer Revenue Bond, Series of 2013 (Sewer Phase 1A);
- (38) \$163,680 Water and Sewer Revenue Bond, Series 2015 (Upper Bear Wallow Water Project); and
- (39) \$317,151 Water and Sewer Revenue Bond, Series 2016 (Radio Read Meter Replacement and Telemetry Installation Project).

**EXHIBIT G**  
**ORIGINAL FINANCING AGREEMENTS**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT H**

**PRIOR BONDS AND EXISTING PARITY BONDS  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Completed by Borrower's Bond Counsel]

**Prior Bonds:**

None

**Existing Parity Bonds:**

**EXHIBIT I**

**DEBT SERVICE SCHEDULES  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT J**  
**FORM OF BUDGET**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

(To Be on Borrower's Letterhead)

[Date]

Executive Director  
 Virginia Resources Authority  
 1111 East Main Street, Suite 1920  
 Richmond, VA 23219

Dear Mr./Ms. \_\_\_\_\_:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and The Russell County Public Service Authority, a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues <sup>1</sup>	Operation & Maintenance Expense	Net Revenues Available for Debt Service (Revenues – O&M Expense)	Debt Service	Coverage (Net Revenues Available for Debt Service/Debt Service)

<sup>1</sup> Of the amount set forth here as Revenues, \$\_\_\_\_\_ is derived from a transfer from the County of Russell, Virginia's general fund pursuant to the Support Agreement.

All capitalized terms used herein shall have the meaning set forth in the Financing Agreement[s].

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

## **EXHIBIT K**

### **AMENDED AND RESTATED SUPPORT AGREEMENT THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

**THIS AMENDED AND RESTATED SUPPORT AGREEMENT** is made as of the first day of \_\_\_\_\_, 2020, by and among the **BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA** (the “Board”), acting as the governing body of Russell County, Virginia (the “County”), **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY** (the “Borrower”), and the **VIRGINIA RESOURCES AUTHORITY** (the “Authority”), as Administrator of the **VIRGINIA WATER SUPPLY REVOLVING FUND** (the “Fund”) and as purchaser of the Local Bonds, as hereinafter defined, pursuant to a Master Financing Agreement dated as of the date hereof (the “Master Financing Agreement”), between the Authority and the Borrower.

#### **RECITALS:**

**WHEREAS**, the Borrower was created by the Board pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) and owns and operates the System in the County;

**WHEREAS**, the Borrower has previously issued its bonds as described on Exhibit A (the “Russell PSA Bonds”) pursuant to certain financing agreements, between the Authority, as Administrator of the Fund, and the Borrower;

**WHEREAS**, The Castlewood Water and Sewage Authority (“Castlewood WSA”) has previously issued its bonds as described on Exhibit A (the “Castlewood WSA Bonds”) pursuant to certain financing agreements, between the Authority, as Administrator of the Fund, and Castlewood WSA;

**WHEREAS**, the County of Russell, Virginia (the “County”) has previously issued its bonds as described on Exhibit A (the “County Bonds”) pursuant to certain financing agreements, between the Authority, as Administrator of the Fund, and Castlewood WSA;

**WHEREAS**, the Borrower desires to amend and restate its obligations with respect to the Russell PSA Bonds, assume the obligations of Castlewood WSA with respect to the Castlewood WSA Bonds and assume the obligations of the County with respect to the County Bonds;

**WHEREAS**, the Board adopted on \_\_\_\_\_, 2020, a resolution authorizing, among other things, the execution of an agreement providing for a non-binding obligation of the Board to consider certain appropriations in support of the Castlewood WSA Bonds, the County Bonds and the Russell PSA Bonds (collectively, the “Local Bonds”).

## AGREEMENT

**NOW, THEREFORE**, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Master Financing Agreement.

2. No later than May 15 of each year, beginning May 15, 20\_\_, the Borrower shall notify the Board of the amount (the “Annual Deficiency Amount”) by which the Borrower reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Master Financing Agreement, the Local Bonds and any other indebtedness secured by or payable from the Revenues, including the Existing Parity Bonds set forth on Exhibit H to the Master Financing Agreement, (ii) the Operation and Maintenance Expense, and (iii) the Additional Payments in full as and when due during the County’s fiscal year beginning the following July 1.

3. The County Administrator of the County (the “County Administrator”) shall include the Annual Deficiency Amount in his budget submitted to the Board for the following fiscal year as an amount to be appropriated to or on behalf of the Borrower. The County Administrator shall deliver to the Authority within ten days after the adoption of the County’s budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board has appropriated to or on behalf of the Borrower an amount equal to the Annual Deficiency Amount.

4. If at any time Revenues shall be insufficient to make any of the payments referred to in paragraph 3 hereof, the Borrower shall notify the County Administrator of the amount of such insufficiency and the County Administrator shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

5. The County Administrator shall present each request for appropriation pursuant to paragraph 5 above to the Board, and the Board shall consider such request, at the Board’s next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify the Authority as to whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County by the County Administrator for the County’s next fiscal year.

6. The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

7. The Board acknowledges that (i) the Authority would not purchase the Local Bonds without the security and credit enhancement provided by this Agreement, and (ii) the Authority is treating this Agreement as a “local obligation” within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the “Virginia Code”), which in the event of a nonpayment hereunder authorizes the Authority to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bonds, the Authority is further relying on Section 62.1-216.1 of the Virginia Code, providing that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to the Authority, so as to cure, or cure insofar as possible, such nonpayment.

8. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Borrower, the Authority or to any holder of the Local Bonds or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

9. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to \_\_\_\_\_, Attention: County Administrator, (ii) if to the Borrower, to \_\_\_\_\_, Attention: Chairman, and (iii) if to the Authority, to 1111 East Main Street, Suite 1920, Richmond, Virginia, 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

10. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

11. This Agreement shall remain in full force and effect until the Local Bonds and all other amounts payable by the Borrower under the Master Financing Agreement have been paid in full.

12. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

**BOARD OF SUPERVISORS OF RUSSELL COUNTY,  
VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Supply Revolving  
Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**LOCAL BONDS**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**FINANCING ASSUMPTION AGREEMENT**

**dated as of \_\_\_\_\_ 1, 2020**

**BETWEEN**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Facilities Revolving Fund**

**AND**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

Virginia Resources Authority  
Virginia Water Facilities Revolving Fund

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## **FINANCING ASSUMPTION AGREEMENT**

**THIS FINANCING ASSUMPTION AGREEMENT** is made as of this first day of \_\_\_\_\_, 2020, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND** (the “Fund”), and **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**, a body politic and corporation and political subdivision of the Commonwealth of Virginia (the “Borrower”).

Pursuant to Chapter 22, Title 62.1 of the Code of Virginia (1950), as amended (the “Act”), the General Assembly created a permanent and perpetual fund known as the “Virginia Water Facilities Revolving Fund” (the “Fund”). In conjunction with the State Water Control Board, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance or refinance the costs of wastewater treatment facilities within the meaning of Section 62.1-224 of the Act.

The Castlewood Water and Sewage Authority (the “Original Borrower”), has previously issued its \_\_\_\_\_ (the “Original Bond”) pursuant to a Financing Agreement, dated as of \_\_\_\_\_ 1, 20\_\_ between the Authority, as Administrator of the Fund, and the Original Borrower (the “Original Financing Agreement”).

The Original Borrower has agreed to transfer to the Borrower the facilities financed by the Original Bond and the Borrower has agreed to assume the Original Bond. The parties desire to provide for the assumption by the Borrower of the obligations of the Original Borrower with respect to the Original Bond, on the terms and conditions stated in this Agreement.

### **ARTICLE I** **DEFINITIONS**

**Section 1.1. Definitions.** The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“**Additional Payments**” means the payments required by Section 6.2.

“**Agreement**” means this Financing Assumption Agreement between the Authority, as Administrator of the Fund, and the Borrower, together with any amendments or supplements hereto.

“**Annual Administrative Fee**” means the portion of the Cost of Funds specified in Section 6.1 payable as an annual fee for administrative and management services attributable to the Local Bond.

**“Authorized Representative”** means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

**“Board”** means the State Water Control Board.

**“Closing Date”** means the date of the delivery of the Local Bond to the Authority, as Administrator of the Fund.

**“Consulting Engineer”** means the engineer or firm of independent consulting engineers of recognized standing and experienced in the field of sanitary engineering and registered to do business in the Commonwealth of Virginia which is designated by the Borrower from time to time as the Borrower’s consulting engineer in accordance with Section 4.5 in a written notice to the Authority. Such individual or firm shall be subject to the reasonable approval of the Authority. Unless and until the Authority notifies the Borrower otherwise, any of the Borrower’s employees that are licensed and registered as professional engineers in the Commonwealth of Virginia may serve as Consulting Engineer under this Agreement.

**“Cost of Funds”** means interest, including the part thereof allocable to the Annual

**“County”** means the County of Russell, Virginia.

**“Default”** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

**“Department”** means the Department of Environmental Quality, created and acting under Chapter 11.1, Title 10.1, of the Code of Virginia, as amended.

**“Event of Default”** shall have the meaning set forth in Section 11.1.

**“Existing Parity Bonds”** means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described on Exhibit F, that on the date of the Local Bond’s issuance and delivery were secured by or payable from a pledge of Revenues on a parity with the pledge of Revenues securing the Local Bond.

**“Fiscal Year”** means the period of twelve months established by the Borrower as its annual accounting period.

[**“Funding Agreement”** means the Funding Agreement, dated as of the date of the Original Financing Agreement, between the Authority and the Borrower.]

**“Local Bond”** means the bond relating to the assumption of the Original Bond, substantially in the form attached to this Financing Agreement as Exhibit A, issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Agreement.

**“Local Bond Proceeds”** means the proceeds of the sale of the Local Bond to the Authority, as Administrator of the Fund, pursuant to this Agreement.

**“Local Resolution”** means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement, the Master Parity Agreement and the Transfer Agreement and the execution, issuance and delivery of the Local Bond.

**“Master Parity Agreement”** means the Master Parity Agreement dated as of \_\_\_\_\_, 2020, among the Authority, the Borrower and United States of America, acting by and through the Rural Utilities Service, an agency of the United States Department of Agriculture.

**“Net Proceeds”** means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorneys’ fees and expenses of the Authority and all other expenses incurred in the collection of such gross proceeds.

**“Net Revenues Available for Debt Service”** means the Revenues less amounts necessary to pay Operation and Maintenance Expense.

**“Operation and Maintenance Expense”** means the costs of operating and maintaining the System determined pursuant to generally accepted accounting principles, exclusive of (i) interest on any debt secured by or payable from Revenues, (ii) depreciation and any other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

**“Opinion of Counsel”** means a written opinion of recognized bond counsel, reasonably acceptable to the Authority.

**“Original Bond”** has the meaning set forth in the preambles to this Agreement.

**“Original Borrower”** means The Castlewood Water and Sewage Authority.

**“Original Financing Agreement”** has the meaning set forth in the preambles to this Agreement.

**“Parity Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower issued under Section 10.5.

**“Prior Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower secured by or payable from a pledge of Revenues all or any portion of which was superior to the pledge of Revenues securing the Local Bond.

**“Project”** means the particular project described in Exhibit B, the costs of the acquisition of which are to be financed by or refinanced in whole or in part with the Local Bond.

**“Qualified Independent Consultant”** shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a Consulting Engineer, so long as such individual is not an employee of the Borrower, and an independent certified public accountant or firm of independent certified public accountants. Such individual or firm shall be subject to the reasonable approval of the Authority.

**“Revenues”** means (i) all rates, fees, rentals, charges and income properly allocable to the System in accordance with generally accepted accounting principles or resulting from the Borrower’s ownership or operation of the System, excluding customer and other deposits subject to refund until such deposits have become the Borrower’s property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Borrower, (iv) amounts that may be appropriated for and paid to the Borrower by the County under the Support Agreement or otherwise, and (v) any other income from other sources pledged by the Borrower to the payment of its Local Bond.

**“Service Contracts”** means the Agreement for Sale and Purchase of Water dated May 6, 2014, between the Borrower and the Buchanan County Public Service Authority; Water Sale Agreement dated July 8, 2015, between the Borrower and the Town of Honaker, Virginia; Agreement for the Bulk Sales of Water dated March 14, 2002, between the Borrower and the Town of Lebanon, Virginia; Agreement for the Bulk Sale of Water dated June 11, 2001, between the Borrower and the Tazewell County Public Service Authority; and Contract for Sale of Water dated October 3, 2013, between the Borrower and the Washington County Service Authority *[Add any service contracts transferred from Castlewood WSA and Russell County]*.

**“Subordinate Bonds”** means any of the Borrower’s bonds, notes or other evidences of indebtedness, including but not limited to such existing bonds, notes or other evidences of indebtedness of the Borrower, secured by or payable from a pledge of Revenues expressly made subordinate to the pledge of Revenues to secure the payment of the Local Bond.

**“Support Agreement”** means the Amended and Restated Support Agreement, dated the date hereof, among the Borrower, the Authority and the County, substantially in the form of Exhibit I hereto.

**“System”** means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Borrower and used in connection with the collection, supply, treatment, storage or distribution of water or the collection or treatment of wastewater as the same may from time to time exist.

**“Transfer Agreement”** means the Transfer Agreement dated as of \_\_\_\_\_, 2020, among the Borrower, the County and the Original Borrower.

**Section 1.2. Rules of Construction.** The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

## **ARTICLE II**

### **REPRESENTATIONS**

**Section 2.1. Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing “local government” (as defined in Section 62.1-233 of the Act) of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Local Resolution and execute and deliver this Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the other documents related thereto, (ii) issue, sell and deliver the Local Bond to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire or equip the Project (as described in Exhibit B) and finance or refinance the Project Costs by borrowing money for such purpose pursuant to this Agreement and the issuance of the Local Bond, (vi) pledge the Revenues of the System to the payment of the Local Bond, and (vii) carry out and consummate all of the transactions contemplated by the Local Resolution, this Agreement, the Support Agreement and the Local Bond.

(c) This Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the Local Bond were duly authorized by the Local Resolution and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Local Resolution was adopted.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower’s adoption of the Local Resolution, (ii) the execution and delivery by the Borrower of this Agreement, the Master Parity Agreement, the Support Agreement, the Transfer Agreement and the Local Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, equipping, occupation, operation and use of the Project, and (v) the operation and use of the System. The Borrower knows of no reason why any such required governmental permits,

licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement, the Master Parity Agreement, the Support Agreement and the Transfer Agreement have been executed and delivered by duly authorized officials of the Borrower and constitute a legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms.

(f) When executed and delivered in accordance with the Local Resolution and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of this Agreement, the Master Parity Agreement, the Support Agreement and the Transfer Agreement and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of, (i) to the best of the Borrower's knowledge, any Federal, or Virginia constitutional or statutory provision, including the Borrower's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bond and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bond. The execution and delivery by the Borrower of this Agreement, the Support Agreement or the Local Bond and the compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization

or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Resolution, this Agreement, the Support Agreement or the Local Bond or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Resolution, this Agreement, the Support Agreement, the Local Bond or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Resolution, this Agreement, the Support Agreement or the Local Bond, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Borrower to pledge the Revenues to the payment of the Local Bond.

(k) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(l) Except as may otherwise be approved by the Authority or permitted by the terms of this Agreement, the System at all times is and will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(m) There is no indebtedness of the Borrower secured by or payable from a pledge of Revenues on a parity with or prior to the lien of the pledge of Revenues securing the Local Bond except any Existing Parity Bonds set forth on Exhibit F.

(n) The Service Contracts are in full force and effect; no default or event of default has occurred and is continuing under the Service Contracts; and the Borrower is not currently aware of any fact or circumstance that would have an adverse impact on the Borrower's ability to set rates, to receive payments, or to exercise any other rights and remedies available to the Borrower, under or pursuant to the Service Contracts.

(o) No Event of Default or Default has occurred and is continuing.

(p) All of the representations and warranties of the Borrower contained in the Master Parity Agreement and the Transfer Agreement are true and correct and all terms of the Master Parity Agreement and the Transfer Agreement are reaffirmed, ratified and confirmed.

**ARTICLE III**  
**AMENDMENT AND RESTATEMENT OF FINANCING AGREEMENT**

**Section 3.1. Amendment and Restatement of Financing Agreement; Assumption of Local Bond.** (a) This Agreement in part constitutes an amendment and restatement of the Financing Agreement with respect to the Local Bond; however, this Agreement shall not constitute a novation of the original debt evidenced by the respective Local Bond.

(b) The Borrower agrees to assume each of the Original Borrower's obligations to make payments of the principal and other sums that become due under the Local Bond after the Closing Date. The Authority agrees to release the Original Borrower from its obligations under the Local Bond, in accordance with the terms of this Agreement.

**Section 3.2. Conditions Precedent to Entering into the Master Financing Agreement.** This Agreement shall not be effective until the Authority shall have received the following, all in form and substance satisfactory to the Authority:

(a) The Local Bonds, [the Funding Agreement,] the Master Parity Agreement, the Support Agreement and the Transfer Agreement.

(b) A certified copy of the Local Resolution.

(c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.

(d) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(e) An Opinion of Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(f) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(g) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require, including an opinion from counsel acceptable to the Authority that the Master Parity Agreement, the Support Agreement and the Transfer Agreement are valid and enforceable against the Borrower, subject to usual and customary qualifications.

**ARTICLE IV**  
**USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT**

**Section 4.1. Application of Proceeds.**

(a) The Borrower agrees to apply the Local Bond Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees to exhibit to the Department or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Department) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Agreement;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

(i) a certificate, signed by the Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Department, the Authority shall disburse Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Department and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the Local Bond. The Authority shall have no obligation to disburse any such Local Bond Proceeds if the Borrower is in default hereunder nor shall the Department have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable laws of the Commonwealth of Virginia, including but not limited to, the Virginia Public Procurement Act, as amended, regarding the awarding and performance of public construction contracts related to the Project. Except as may otherwise be approved by the Department, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the Local Bond to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled,

the Authority, to the extent approved by the Department and subject to the provisions of this Section and Section 4.2, will disburse to or for the account of the Borrower Local Bond Proceeds to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, principal installments due on the Local Bond shall be reduced only in accordance with Section 6.1.

**Section 4.2. Agreement to Accomplish Project.** The Borrower agrees to cause the Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Department. All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Authority and the Department through their duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Authority, with the consent of the Department, may amend the description of the Project set forth in Exhibit B.

When the Project has been completed, the Borrower shall promptly deliver to the Authority and the Department a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Department, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

**Section 4.3. Permits.** The Borrower, at its sole cost and expense, shall comply with and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Authority and the Department copies of all such permits, consents and approvals. The Borrower shall also comply with all applicable lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Department in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed from the Fund under the Act. The Borrower shall also comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof from the Fund. Where noncompliance with such requirements is determined by the Authority or the Department, the issue shall be referred to the proper governmental authority or agency for consultation or enforcement action.

**Section 4.4. Construction Contractors.** Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%)

of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority, the Department and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder's risk insurance, workers' compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer. Upon request of the Authority, the Department or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority, the Department and the Board.

**Section 4.5. Engineering Services.** The Borrower shall retain a Consulting Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the Project. The Consulting Engineer shall certify to the Fund, the Authority and the Department as to the various stages of the completion of the Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the Project provide to the Fund, the Authority and the Department the certificates required by Sections 4.1 and 4.2.

**Section 4.6. Borrower Required to Complete Project.** If the Local Bond Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority, the Department or the Board or any abatement, diminution or postponement of the Borrower's payments under the Local Bond or this Agreement.

## **ARTICLE V**

### **PLEDGE, REVENUES AND RATES**

**Section 5.1. Pledge of Revenues; Rate Covenant.** (a) Subject to the Borrower's right to apply Revenues to the payment of Operation and Maintenance Expense, the Revenues are hereby pledged to the Authority, on behalf of the Fund, to secure the payment of the principal of and Cost of Funds on the Local Bond and the payment and performance of the Borrower's obligations under this Agreement. This pledge shall be valid and binding from and after the execution and delivery of this Agreement. The Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. The lien of this pledge of the Revenues is on a parity with the lien of the pledge securing the Existing Parity Bonds. The lien of this pledge shall, subject to the right of the Borrower to apply Revenues to the payment of Operation and Maintenance Expense, have priority over all other obligations and liabilities of the Borrower, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge.

(b) The Borrower covenants and agrees that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 100% of the amount required during the Fiscal Year to pay the principal of and Cost of Funds on the Local Bond, the Additional Payments and all other indebtedness of the Borrower secured by or payable from Revenues including without limitation,

indebtedness under leases which are treated as capital leases under generally accepted accounting principles (the "Rate Covenant"). If, for any reason, the Revenues are insufficient to satisfy the foregoing covenant, the Borrower shall within ninety (90) days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expense so as to provide sufficient Revenues to satisfy such requirement.

(c) On or before the last day of each Fiscal Year, the Borrower shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Borrower's rates, fees and other charges are insufficient to satisfy the Rate Covenant, the Borrower shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operations and Maintenance Expense to cure any deficiency.

**Section 5.2. Annual Budget.** The Borrower agrees before the first day of each Fiscal Year to adopt a budget for such Fiscal Year containing all information called for by, and otherwise being in the form of, Exhibit H to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Borrower, the Revenues estimated to be generated thereby, the expenditures anticipated by the Borrower for operations, maintenance, repairs, replacements, improvements, debt service and other purposes, and specifically identifying any amounts made available by the County pursuant to the Support Agreement. Such budget as approved by the Borrower's governing body is referred to in this Agreement as the Annual Budget. The Borrower may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in a Default. The Borrower shall submit a copy of the Annual Budget and any amendments thereto to the Authority.

**Section 5.3. Qualified Independent Consultant's Report.** (a) If at the end of any Fiscal Year, the Borrower is not in compliance with the Rate Covenant, within two hundred ten (210) days after the end of such Fiscal Year, the Borrower shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Borrower to satisfy the Rate Covenant. The Borrower shall promptly furnish a copy of such report to the Authority and, subject to Section 5.3(b), take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

(b) If the Borrower determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Borrower may in lieu thereof adopt other procedures which the Borrower believes will bring it into compliance with the Rate Covenant when such measures have been implemented and become fully effective. Such alternative plan shall be filed with the Authority not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Borrower's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, the Authority reserves the right, in its sole discretion, to reject such alternate procedures and require the Borrower to comply with the Qualified Independent Consultant's recommendations.

**ARTICLE VI**  
**PAYMENTS**

**Section 6.1. Payment of Local Bond.** (a) The Local Bond shall be dated the date of its delivery to the Authority. The Cost of Funds on the Local Bond shall be computed on disbursed principal balance thereof from the date of each disbursement at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, consisting of the following:

(i) interest of \_\_\_\_\_ percent (\_\_\_\_%) per annum payable for the benefit of the Fund, and

(ii) \_\_\_\_\_ percent (\_\_\_\_%) per annum payable as an Annual Administrative Fee.

(b) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on \_\_\_\_\_ 1, 20\_\_\_. Commencing \_\_\_\_\_ 1, 20\_\_\_, and continuing semi-annually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, principal and Cost of Funds due under the Local Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on \_\_\_\_\_ 1, 20\_\_\_, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment. If any installment of principal of or Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.

**Section 6.2. Payment of Additional Payments.** In addition to the payments of principal of and Cost of Funds on the Local Bond, the Borrower agrees to pay on demand of the Authority the following Additional Payments:

(1) The costs of the Fund, the Authority, the Department or the Board in connection with the enforcement of this Agreement, including the reasonable fees and expenses of any attorneys used by any of them; and

(2) All expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof.

The Borrower agrees to pay interest on any Additional Payments enumerated in (1) or (2) above not received by the Authority within ten (10) days after demand therefor at a rate of five

percent (5.0%) per annum of the overdue installment from its due date until the date it is paid.

## **ARTICLE VII PREPAYMENTS**

**Section 7.1. Prepayment of Local Bond.** At its option and after giving at least ten (10) days' written notice to the Authority, the Borrower may prepay the Local Bonds at any time, in whole or in part and without penalty. Such written notice shall specify the date on which the Borrower will make such prepayment and whether the Local Bonds will be prepaid in full or in part, and if in part, the principal amount to be prepaid. Any such partial prepayment shall be applied against the principal amount outstanding under the Local Bonds but shall not postpone the due date of any subsequent payment on the Local Bonds, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

## **ARTICLE VIII OWNERSHIP, OPERATION AND USE OF SYSTEM**

**Section 8.1. Ownership and Operation of Project and System.** Except as may otherwise be approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person.

**Section 8.2. Maintenance.** At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

**Section 8.3. Additions and Modifications.** At its own expense, the Borrower from time to time may make any additions, modifications or improvements to the System which it deems desirable and which do not materially reduce the value of the System or the structural or operational integrity of any part of the System, provided that all such additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

**Section 8.4. Use of System.** The Borrower shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational and other changes to the System, irrespective of the cost of making the same.

**Section 8.5. Inspection of System and Borrower's Books and Records.** The Authority and the Department and their duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the

Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

**Section 8.6. Ownership of System.** The Borrower shall not construct, reconstruct or install any part of the System on lands other than those which the Borrower owns or can acquire title to or a perpetual easement over, in either case sufficient for the Borrower's purposes, unless such part of the System is lawfully located in a public street or highway or is a main, conduit, pipeline, main connection or facility located on land in which the Borrower has acquired a right or interest less than a fee simple or perpetual easement and such lesser right or interest has been approved by written opinion of counsel to the Borrower as sufficient for the Borrower's purposes.

**Section 8.7. Sale or Encumbrance.** No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except as provided in any one of the following subsections, or as may be otherwise consented and agreed to by the Authority in writing:

(a) The Borrower may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System;

(b) The Borrower may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function; and

(c) The Borrower may sell or otherwise dispose of property constituting part of the System; provided, however, (i) no such property shall be sold or otherwise disposed of unless there is filed with the Authority a certificate of the Borrower, signed by an Authorized Representative, stating that such property is no longer needed or useful in the operation of the System, and, if the proceeds of such sale or disposition, together with the aggregate value of any other property sold or otherwise disposed of during the Fiscal Year, shall exceed \$125,000, there shall also be filed with the Borrower and the Authority a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System, and (ii) the proceeds to be received from any sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of and Cost of Funds on the Local Bond, and then, if such property constitutes part of the Project, to the prepayment of the Local Bond under Article VII hereof.

**Section 8.8. Collection of Revenues.** The Borrower shall use its best efforts to collect all rates, fees and other charges due to it and shall perfect liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Borrower shall, to the full extent permitted by law, discontinue and shut off, or cause to be discontinued and shut off, services and facilities of the System, and use its best efforts to cause to be shut off water service furnished otherwise than through the System, to customers of

the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Borrower.

**Section 8.9. No Free Service.** The Borrower shall not permit connections with or any use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Borrower's uniform schedule of rates, fees and charges.

**Section 8.10. No Competing Service.** The Borrower shall not provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

**Section 8.11. Mandatory Connection.** The Borrower shall adopt and enforce rules and regulations consistent with applicable laws, requiring the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect such building to the System; provided, however, such rules and regulations may permit and provide that any such building already in existence at the time the services of the System became available to the applicable lot or parcel may continue to use a private sewage disposal system approved by the applicable board of health or health officer until such approved private sewage disposal system shall cease to be approved or shall require major repairs to continue to be approved, at which time such building shall be required to connect to the System.

**Section 8.12. Lawful Charges.** The Borrower shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the System or the Borrower's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Borrower shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Revenues (collectively, the "Mechanics' Charges"). The Borrower, however, after giving the Authority ten (10) days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Borrower may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Authority, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics' Charges promptly shall be satisfied or secured by posting with the Authority or an appropriate court a bond in form and amount reasonably satisfactory to the Authority. Upon request, the Borrower shall furnish to the Authority proof of payment of all Governmental Charges and the Mechanics' Charges required to be paid by the Borrower under this Agreement.

**ARTICLE IX**  
**INSURANCE, DAMAGE AND DESTRUCTION**

**Section 9.1. Insurance.** Unless the Authority otherwise agrees in writing, the Borrower continuously shall maintain or cause to be maintained insurance against such risks as are customarily insured against by public bodies operating systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System's insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia); provided that during the construction of the Project, the Borrower may provide or cause to be provided, in lieu of the insurance in the amount of the full replacement cost of the Project, builders' risk or similar types of insurance in the amount of the full replacement cost thereof. The determination of replacement cost shall be made by a recognized appraiser or insurer selected by the Borrower and reasonably acceptable to the Authority.

(b) Comprehensive general liability insurance with a combined single limit of \$2,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Borrower qualifies as a self-insurer under the laws of Virginia, workers' compensation insurance.

The Authority shall not have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance, or (ii) the application of the proceeds of insurance.

The Borrower shall provide no less often than annually and upon the written request of the Authority a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in full force and effect.

**Section 9.2. Requirements of Policies.** All insurance required by Section 9.1 shall be maintained with generally recognized, responsible insurance companies selected by the Borrower and reasonably acceptable to the Authority. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System and shall contain an undertaking by the insurer that such policy shall not be modified adversely to the interests of, or canceled without at least thirty (30) days' prior notice to, the Authority. If any such insurance is not maintained with an insurer licensed to do business in Virginia or placed pursuant to the requirements of the Virginia Surplus Lines Insurance Law (Chapter 48, Title 38.2, Code of Virginia of 1950, as amended) or any successor provision of law, the Borrower shall provide evidence reasonably satisfactory to the Authority that such insurance is enforceable under Virginia law.

**Section 9.3. Notice of Damage, Destruction and Condemnation.** In the case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right therein under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title, or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 9.4. Damage and Destruction.** If all or any part of the System is destroyed or damaged by fire or other casualty, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Borrower may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Borrower may apply so much as may be necessary of the Net Proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to the prepayment of the Local Bond pursuant to Article VII.

**Section 9.5. Condemnation and Loss of Title.** If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall cause the Net Proceeds from any such condemnation award or from title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to the prepayment of the Local Bond pursuant to Article VII.

## **ARTICLE X** **SPECIAL COVENANTS**

**Section 10.1. Maintenance of Existence.** The Borrower shall maintain its existence as a “local government” (as defined in the Act) of the Commonwealth of Virginia and, without consent of the Authority and the Department, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of the Commonwealth of Virginia,

and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Authority and the Department, all of the obligations of the Borrower contained in the Local Bond and this Agreement, and there is furnished to the Authority and the Department an Opinion of Counsel acceptable to the Authority and the Department subject only to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligation of the surviving, resulting or transferee political subdivision enforceable against it in accordance with its terms.

**Section 10.2. Financial Records and Statements.** The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower during such Fiscal Year satisfied the Rate Covenant. The Borrower shall furnish to the Authority copies of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the Borrower's operations and changes in the financial position of its funds for the Fiscal Year.

**Section 10.3. Certificate as to No Default.** The Borrower shall deliver to the Authority, within one hundred and eighty (180) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default or a Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

**Section 10.4. Additional Indebtedness.** The Borrower shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by or payable from a pledge of Revenues, except Subordinate Bonds or Parity Bonds.

**Section 10.5. Parity Bonds.** Provided the Borrower is not in default hereunder, the Borrower may issue bonds, notes or other evidences of indebtedness ("Parity Bonds") ranking on parity with the Local Bond with respect to the pledge of Revenues to (i) pay the cost of improvements, additions, extensions, replacements, equipment or betterments and of any property, rights or easements deemed by the Borrower to be necessary, useful or convenient for the System, (ii) refund some or all of the Local Bond, Parity Bonds, Existing Parity Bonds or Prior Bonds, or (iii) effect some combination of (i) and (ii); provided in each case the following conditions are satisfied. Except to the extent otherwise consented and agreed to by the Authority in writing, before any Parity Bonds are issued or delivered, the Borrower shall deliver to the Authority the following:

(a) Certified copies of all resolutions and ordinances of the Borrower authorizing the issuance of the Parity Bonds.

(b) A certificate of an appropriate official of the Borrower setting forth the purposes for which the Parity Bonds are to be issued and the manner in which the Borrower will apply the proceeds from the issuance and sale of the Parity Bonds.

(c) If the Parity Bonds are authorized for any purpose other than the refunding of the Local Bonds, Parity Bonds or Existing Parity Bonds, in form and substance satisfactory to the Authority, a certificate of the Consulting Engineer-, or with respect to subsection (iv)(C) below, a certificate, including supporting documentation, of the Qualified Independent Consultant, to the effect that in the opinion of the Consulting Engineer or Qualified Independent Consultant, as applicable, (i) the improvements or property to which the proceeds from the issuance of the Parity Bonds are to be applied will be a part of the System, (ii) the funds available to the Borrower from the issuance of the Parity Bonds and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (iii) the period of time which will be required to complete such improvements or acquire such property, and (iv) (A) the Parity Bond proceeds are necessary to complete the Project, (B) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction of Revenues, or (C) during the first two complete Fiscal Years following completion of the improvements or the acquisition of the property financed with the proceeds of the Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bonds, this Agreement, the Parity Bonds or Existing Parity Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing this certificate, as applicable, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues of the System to be derived under then existing contractual agreements entered into by the Borrower and from reasonable estimates of growth in the customer base of the Borrower.

(d) If the Parity Bonds are authorized solely to refund the Local Bonds (with the consent of the Authority), Existing Parity Bonds or Parity Bonds, either (i) a certificate, including supporting documentation, of a Qualified Independent Consultant satisfactory to the Authority that the refunding Parity Bonds will have annual debt service requirements in each of the years the Local Bonds, Existing Parity Bonds or Parity Bonds to be refunded would have been outstanding which are lower than the annual debt service requirements in each such year on the Local Bonds, Existing Parity Bonds or Parity Bonds to be refunded, or (ii) a certificate, including supporting documentation, of the Qualified Independent Consultant to the effect that during the first two complete Fiscal Years following the issuance of the refunding Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount required during each

such Fiscal Year to pay any and all amounts due under the Local Bonds, this Agreement, the Parity Bonds or Existing Parity Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing the certificate described in clause (ii), the Qualified Independent Consultant may take into account the factors described in the last two sentences of subsection (c) of this Section.

(e) An Opinion of Counsel satisfactory to the Authority subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bonds and stating that its terms and provisions conform with the requirements of this Agreement and that the certificates and documents delivered to the Authority constitute compliance with the provisions of this Section.

**Section 10.6. Further Assurances.** The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights, Revenues and other funds pledged or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledge of the Revenues and other funds pledged under this Agreement and all rights of the Authority, the Department and the Board under this Agreement against all claims and demands of all persons.

**Section 10.7. Other Indebtedness.** The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

**Section 10.8. Assignment by Borrower.** The Borrower may not assign its rights under this Agreement without the prior written consent of the Authority and the Department. If the Borrower desires to assign its rights under this Agreement to another “local government” (as defined in the Act), the Borrower shall give notice of such fact to the Authority and the Department. If the Authority and the Department consent to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Authority and the Department are furnished (i) an assumption agreement in form and substance satisfactory to the Authority and the Department by which the assignee agrees to assume all of the Borrower’s obligations under the Local Bond and this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement, the Local Bond and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under the Local Bond and this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower’s obligations.

**Section 10.9. Davis-Bacon Act.** The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the Project and require that all laborers and

mechanics employed by contractors and subcontractors for the Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 513 of the Federal Water Pollution Control Act, as amended.

**Section 10.10. American Iron and Steel.** The Borrower agrees to comply with Section 608 of the Federal Water Pollution Control Act and related acts, as amended, with respect to the Project and require that all iron and steel products used for the Project are to be produced in the United States as required under such act. The term “iron and steel products” is defined to mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete and construction materials.

**Section 10.11. Continuing Disclosure Obligations.** (a) For purposes of this Section, the following terms and phrases shall have the following meanings:

“Annual Financial Information” with respect to any Fiscal Year for the Borrower, means the following:

(i) the financial statements (consisting of at least a balance sheet and statement of revenues and expenses) of the System, or, if not available, the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the Borrower, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Borrower after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit G.

“Dissemination Agent” shall mean any person, reasonably acceptable to the Authority, whom the Borrower contracts in writing to perform its obligations as provided in subsection (b) of this Section.

“Leveraging Bonds” means the bonds and other evidences of indebtedness issued and sold by the Authority pursuant to the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia (1950), as amended, the Act, and any successor provisions of law, including without limitation the bonds and other evidences of indebtedness issued by the Authority under the Amended and Restated Master Indenture of Trust dated as of April 1, 2010, between the

Authority and U.S. Bank National Association, as trustee, as supplemented and amended.

“Local Government” shall have the meaning set forth in Section 62.1-199 of the Code of Virginia of 1950, as amended.

“Local Obligations” shall mean any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases or any other evidences of indebtedness of a Local Government evidencing a loan made by the Authority to a Local Government from the Fund or the proceeds of Leveraging Bonds.

“Make Public” or “Made Public” shall have the meaning set forth in subsection (c) of this Section.

“Material Local Government” shall mean a Local Government that satisfies a set of objective criteria established by the Authority at the time of sale of each series of Leveraging Bonds and based on the level of participation of each Local Government in the aggregate outstanding principal amount of all Local Obligations. For all Leveraging Bonds currently outstanding as of the date of this Agreement, a Material Local Government is any Local Government whose aggregate outstanding principal amount of Local Obligations represents twenty percent (20%) or more of the aggregate outstanding principal amount of all Local Obligations.

“Rule” means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

“SEC” means the U.S. Securities and Exchange Commission.

(b) The Borrower shall Make Public or cause to be Made Public:

(1) Within 270 days after the end of the Borrower’s Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Borrower constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included by reference in a document Made Public to any document previously filed with the SEC. If the document referred to is a final official statement within the meaning of the Rule, then it must be available from the Municipal Securities Rulemaking Board (“MSRB”).

(2) In a timely manner, notice of any failure by the Borrower to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been Made Public if transmitted to the Authority and to the MSRB for publication on its Electronic Municipal Market Access system (“EMMA”). All documents provided to the MSRB

shall be accompanied by identifying information prescribed by the Authority and the MSRB.

(d) The Borrower shall also notify the Authority within five (5) business days of becoming aware of any of the following events that may from time to time occur with respect to the Local Bond:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations with respect to the tax status of the Local Bond, or other events affecting the tax status of the Local Bond;
- (7) modifications to rights of the holders of the Local Bond;
- (8) bond calls and tender offers;
- (9) defeasances of all or any portion of the Local Bond;
- (10) release, substitution, or sale of property securing repayment of the Local Bond;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower\*;
- (13) the consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

(14) appointment of a successor or additional trustee or the change in the name of a trustee;

(15) Incurrence of a financial obligation \*\* of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties

(e) Notwithstanding anything in this Agreement to the contrary, the Borrower need not comply with the provisions of subsections (a) through (d) above unless and until the Authority has notified the Borrower that it satisfied the objective criteria for a Material Local Government as of the end of the Authority's immediately preceding fiscal year.

(f) The obligations of the Borrower under this Section will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all of the Leveraging Bonds.

(g) The Borrower may modify its continuing disclosure obligations in this Section without the consent of holders of the Leveraging Bonds provided that this Section as so modified complies with the Rule as it exists at the time of modification. The Borrower shall within a reasonable time thereafter send to the Authority and the MSRB through EMMA a description of such modification(s).

(h) (1) If the Borrower fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of Leveraging Bonds then Outstanding may, by notice to the Borrower, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Borrower's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Borrower to comply with any obligation regarding Annual Financial Information specified in this Section (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (h)(1) of this Section.

(i) The Borrower may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to

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\*\* The term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule.

the contrary, the Borrower shall not incur any obligation to continue to provide, or to update, such additional information or data.

(j) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to Make Public the Annual Financial Information, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

**Section 10.12. Service Contracts.** The Borrower shall give prompt notice to the Authority of any renewal, extension, amendment, default or termination of any of the Service Contracts. The Borrower shall enforce the terms of such agreements and use its best efforts to ensure that such agreements remain in full force and effect during the term of this Agreement.

**Section 10.13. [Waterworks Business Operations Plan and Rate Study.** The Borrower shall provide evidence satisfactory to the Authority and the Department that the Borrower on or before \_\_\_\_\_, 2020 has presented a final rate study to the Board of Directors of the Borrower and the County Administrator, which rate study shall project and recommend rates for a five-year period commencing with the Fiscal Year ending June 30, 2021 (the “Rate Study”) that satisfy the Rate Covenant. The Rate Study shall take into account any proposed debt and future projects of the Borrower. The Borrower shall also promptly provide a copy of the Rate Study to the Authority and the Department. Furthermore, the Borrower shall submit a Waterworks Business Operations Plan to the Department as required by Section 32.1-172 of the Code of Virginia of 1950, as amended, on or before \_\_\_\_\_, 2020 for review.]

*[Add language regarding debt service and/or operating reserve]*

*[Add language regarding control over PSA and County leachate]*

## **ARTICLE XI** **DEFAULTS AND REMEDIES**

**Section 11.1. Events of Default.** Each of the following events shall be an “Event of Default”:

(a) The failure to pay when due any payment of principal and Cost of Funds due hereunder or to make any other payment required to be made under the Local Bond or this Agreement;

(b) The Borrower’s failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond, the Support Agreement or this Agreement and the continuation of such failure for a period of thirty (30) days after the Authority gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of

such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) Any warranty, representation or other statement by or on behalf of the Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false or misleading in any material respect;

(d) [The early termination of the Funding Agreement pursuant to Sections 5.3(b) and (c) thereof;]

(e) The occurrence of a default by the Borrower under the terms of any Subordinate Bonds, Parity Bonds, Existing Parity Bonds or Prior Bonds and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder;

(f) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the Revenues thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within sixty (60) days after the entry thereof;

(g) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances secured by or payable from Revenues; or

(h) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within sixty (60) days after filing.

**Section 11.2. Notice of Default.** The Borrower agrees to give the Authority prompt written notice if any order, decree or proceeding referred to in Section 11.1(f), (g) or (h) is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default immediately upon becoming aware of the existence thereof.

**Section 11.3. Remedies on Default.** Whenever any Event of Default referred to in Section 11.1 shall have happened and be continuing, the Authority shall, in addition to any other remedies provided herein or by law, including rights specified in Section 62.1-228 of the Act, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Declare immediately due and payable all payments due or to become due on the Local Bond and under this Agreement, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due on the Local Bond and under this Agreement or to enforce any other of the Fund's, the Authority's, the Department's or the Board's rights under this Agreement or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein or in the Local Bond, which the Borrower hereby agrees are assigned to the Authority upon the occurrence of an Event of Default.

**Section 11.4. Delay and Waiver.** No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Default or Event of Default under this Agreement shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereto.

**Section 11.5. State Aid Intercept.** The Borrower acknowledges that the Authority may take any and all actions available to it under the laws of the Commonwealth of Virginia, including Section 62.1-216.1 of the Code of Virginia of 1950, as amended, to secure payment of the principal of and Cost of Funds on the Local Bond, if payment of such principal and Cost of Funds shall not be paid when the same shall become due and payable.

## **ARTICLE XII** **MISCELLANEOUS**

**Section 12.1. Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 12.2. Amendments.** The Authority and the Borrower, with the written consent of the Department, shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in a writing and shall be signed by or on behalf of the Authority and the Borrower; provided, however, that the written consent of the Department shall not be required for the Authority and the Borrower to amend Articles I, V, IX and XI or Sections 10.4, 10.5 and 10.11 of this Agreement.

**Section 12.3. Limitation of Borrower's Liability.** Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Borrower's obligations are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Borrower, and the Borrower shall not be obligated to pay the principal of and Cost of Funds on the Local Bond or other costs incident

thereto except from the Revenues and other funds pledged therefor. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

**Section 12.4. Applicable Law.** This Agreement shall be governed by the applicable laws of Virginia.

**Section 12.5. Severability.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 12.6. Notices.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

<b>Fund:</b>	Virginia Water Facilities Revolving Fund c/o Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
<b>Authority:</b>	Virginia Resources Authority 1111 East Main Street, Suite 1920 Richmond, VA 23219 Attention: Executive Director
<b>Department and Board:</b>	State Water Control Board Department of Environmental Quality P. O. Box 1105 Richmond, VA 23218 Attention: Executive Director
<b>Borrower:</b>	The Russell County Public Service Authority  _____ _____, Virginia _____ Attention: Chairman

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Authority, the Department, the Board and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 12.7. Right to Cure Default.** If the Borrower shall fail to make any payment or to perform any act required by it under the Local Bond or this Agreement, the Authority without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5.0%) per annum until paid. The Borrower's obligation under this Section shall survive the payment of the Local Bond.

**Section 12.8. Headings.** The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

**Section 12.9. Term of Agreement.** This Agreement shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously shall have been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under this Agreement.

**Section 12.10. Termination of Original Financing Agreement.** The Original Financing Agreement heretofore executed between the parties thereto is cancelled and terminated as of the Closing Date, provided that such cancellation and termination shall not be construed as a waiver, relinquishment or release of any claims, damages, liability, rights of action or causes of action that the parties thereto may have against the other thereunder and that have accrued before the effective date of this Agreement.

**Section 12.11. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature Page Follows]*

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Supply Revolving  
Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF LOCAL BOND  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Come from Borrower's Bond Counsel]

**EXHIBIT B**

**PROJECT DESCRIPTION  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT C**

**PROJECT BUDGET  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Provided]

**EXHIBIT D**

**OPINION OF BORROWER'S COUNSEL  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Come from Borrower's Bond Counsel]

**EXHIBIT E**

**FORM OF REQUISITION  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Come]

**EXHIBIT F**

**PRIOR BONDS AND EXISTING PARITY BONDS  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

[To Be Completed by Borrower's Bond Counsel]

**Prior Bonds:**

None

**Existing Parity Bonds:**

## **EXHIBIT G**

### **OPERATING DATA THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

*Description of Borrower.* A description of the Borrower including a summary description of the System, and its management and officers.

*Debt.* A description of the terms of the Borrower's outstanding debt including a historical summary of outstanding debt and a summary of annual debt service on outstanding debt as of the end of the preceding Fiscal Year. The Annual Financial Information should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Borrower and any unfunded pension liabilities.

*Financial Information and Operating Data.* Financial information for the System as of the end of the preceding Fiscal Year, including a description of revenues and expenditures, largest users, a summary of rates, fees and other charges of the System, amounts (if any) paid by the County, whether under a support agreement or otherwise, and a historical summary of debt service coverage.

**EXHIBIT H**  
**FORM OF BUDGET**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

(To Be on Borrower's Letterhead)

[Date]

Executive Director  
 Virginia Resources Authority  
 1111 East Main Street, Suite 1920  
 Richmond, VA 23219

Dear Mr./Ms. \_\_\_\_\_:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and the Russell County Public Service Authority, a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues <sup>1</sup>	Operation & Maintenance Expense	Net Revenues Available for Debt Service (Revenues – O&M Expense)	Debt Service	Coverage (Net Revenues Available for Debt Service/Debt Service)

<sup>1</sup> Of the amount set forth here as Revenues, \$\_\_\_\_\_ is derived from a transfer from the County's general fund pursuant to the Support Agreement.

All capitalized terms used herein shall have the meaning set forth in the Financing Agreement[s].

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

## **EXHIBIT I**

### **AMENDED AND RESTATED SUPPORT AGREEMENT THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

**THIS AMENDED AND RESTATED SUPPORT AGREEMENT** is made as of the first day of \_\_\_\_\_, 2020, by and among the **BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA** (the “Board”), acting as the governing body of Russell County, Virginia (the “County”), **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY** (the “Borrower”), and the **VIRGINIA RESOURCES AUTHORITY** (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND** (the “Fund”) and as purchaser of the Local Bond, as hereinafter defined, pursuant to a Financing Agreement dated as of the date hereof (the “Financing Agreement”), between the Authority and the Borrower.

#### **RECITALS:**

**WHEREAS**, the Borrower was created by the Board pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) and owns and operates the System in the County;

**WHEREAS**, The Castlewood Water and Sewage Authority (the “Original Borrower”), has previously issued its \_\_\_\_\_ (the “Original Bond”) pursuant to a Financing Agreement, dated as of \_\_\_\_\_ 1, 20\_\_ between the Authority, as Administrator of the Fund, and the Original Borrower;

**WHEREAS**, the Borrower desires to assume the obligations of the Original Borrower with respect to the Original Bond;

**WHEREAS**, the Board adopted on \_\_\_\_\_, 2020, a resolution authorizing, among other things, the execution of an agreement providing for a non-binding obligation of the Board to consider certain appropriations in support of the Local Bond.

#### **AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Financing Agreement.

2. No later than May 15 of each year, beginning May 15, 20\_\_, the Borrower shall notify the Board of the amount (the “Annual Deficiency Amount”) by which the Borrower reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Financing Agreement, the Local Bond and any other indebtedness secured by or payable from the Revenues, including the Existing Parity Bonds set forth on Exhibit F to the Financing Agreement, (ii) the Operation and Maintenance Expense, and (iii) the Additional Payments in

full as and when due during the County's fiscal year beginning the following July 1.

3. The County Administrator of the County (the "County Administrator") shall include the Annual Deficiency Amount in his budget submitted to the Board for the following fiscal year as an amount to be appropriated to or on behalf of the Borrower. The County Administrator shall deliver to the Authority within ten days after the adoption of the County's budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board has appropriated to or on behalf of the Borrower an amount equal to the Annual Deficiency Amount.

4. If at any time Revenues shall be insufficient to make any of the payments referred to in paragraph 3 hereof, the Borrower shall notify the County Administrator of the amount of such insufficiency and the County Administrator shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

5. The County Administrator shall present each request for appropriation pursuant to paragraph 5 above to the Board, and the Board shall consider such request, at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify the Authority as to whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County by the County Administrator for the County's next fiscal year.

6. The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

7. The Board acknowledges that (i) the Authority would not purchase the Local Bond without the security and credit enhancement provided by this Agreement, and (ii) the Authority is treating this Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment hereunder authorizes the Authority to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, the Authority is further relying on Section 62.1-216.1 of the Virginia Code, providing that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to the Authority, so as to cure, or cure insofar as possible, such nonpayment.

8. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Borrower, the Fund, the Authority or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

9. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to \_\_\_\_\_, Attention: County Administrator, (ii) if to the Borrower, to \_\_\_\_\_, Attention: Chairman, and (iii) if to the Authority, to 1111 East Main Street, Suite 1920, Richmond, Virginia, 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

10. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

11. This Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by the Borrower under the Financing Agreement have been paid in full.

12. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

**BOARD OF SUPERVISORS OF RUSSELL COUNTY,  
VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Facilities  
Revolving Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FINANCING AGREEMENT**

**dated as of \_\_\_\_\_ 1, 2019**

**BETWEEN**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Supply Revolving Fund**

**AND**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

Virginia Resources Authority  
Virginia Water Supply Revolving Fund

Loan No. WSL-020-18

**Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project**

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## **FINANCING AGREEMENT**

**THIS FINANCING AGREEMENT** is made as of this first day of \_\_\_\_\_, 2019, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER SUPPLY REVOLVING FUND**, and **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**, a body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Borrower”).

Pursuant to Chapter 23, Title 62.1 of the Code of Virginia (1950), as amended (the “Act”), the General Assembly created a permanent and perpetual fund known as the “Virginia Water Supply Revolving Fund” (the “Fund”). In conjunction with the Board of Health, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance or refinance the costs of water supply facilities within the meaning of Section 62.1-233 of the Act.

The Borrower has requested a loan from the Fund and will evidence its obligation to repay such loan by the Local Bond the Borrower will issue and sell to the Authority, as Administrator of the Fund. The Borrower will use the proceeds of the sale of the Local Bond to the Authority to finance that portion of the Project Costs not being paid from other sources, all as further set forth in the Project Budget.

### **ARTICLE I** **DEFINITIONS**

**Section 1.1. Definitions.** The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“**Additional Payments**” means the payments required by Section 6.2.

“**Agreement**” means this Financing Agreement between the Authority and the Borrower, together with any amendments or supplements hereto.

“**Annual Administrative Fee**” means the portion of the Cost of Funds specified in Section 6.1(a)(ii) payable as an annual fee for administrative and management services attributable to the Local Bond.

“**Authorized Representative**” means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

“**Board**” means the Virginia Board of Health.

**“Closing Date”** means the date of the delivery of the Local Bond to the Authority, as Administrator of the Fund.

**“Commitment Letter”** means the commitment letter from the Authority to the Borrower, dated \_\_\_\_\_, 2019, and all extensions and amendments thereto.

**“Consulting Engineer”** means the engineer or firm of independent consulting engineers of recognized standing and experienced in the field of sanitary engineering and registered to do business in Virginia which is designated by the Borrower from time to time as the Borrower’s consulting engineer in accordance with Section 4.5 in a written notice to the Authority. Such individual or firm shall be subject to the reasonable approval of the Authority. Unless and until the Authority notifies the Borrower otherwise, any of the Borrower’s employees that are licensed and registered as professional engineers in the Commonwealth of Virginia may serve as Consulting Engineer under this Agreement.

**“Cost of Funds”** means interest, including the part thereof allocable to the Annual Administrative Fee, payable as set forth in Section 6.1.

**“County”** means the County of Russell, Virginia.

**“Default”** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

**“Department”** means the Virginia Department of Health.

**“Event of Default”** shall have the meaning set forth in Section 11.1.

**“Existing Parity Bonds”** means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described on Exhibit F, that on the date of the Local Bond’s issuance and delivery were secured by or payable from a pledge of Revenues on a parity with the pledge of Revenues securing the Local Bond.

**“Fiscal Year”** means the period of twelve months established by the Borrower as its annual accounting period.

**“Funding Agreement”** means the Funding Agreement, dated as of the date hereof, between the Authority, as Administrator of the Fund, and the Borrower.

**“Local Bond”** means the bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Agreement.

**“Local Bond Proceeds”** means the proceeds of the sale of the Local Bond to the Authority, as Administrator of the Fund, pursuant to this Agreement.

**“Local Resolution”** means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement and the Transfer Agreement and the execution, issuance and delivery of the Local Bond.

**“Net Proceeds”** means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorneys’ fees and expenses of the Authority and all other expenses incurred in the collection of such gross proceeds.

**“Net Revenues Available for Debt Service”** means the Revenues less amounts necessary to pay Operation and Maintenance Expense.

**“Operation and Maintenance Expense”** means the costs of operating and maintaining the System determined pursuant to generally accepted accounting principles, exclusive of (i) interest on any debt secured by or payable from Revenues, (ii) depreciation and any other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

**“Opinion of Counsel”** means a written opinion of recognized bond counsel, acceptable to the Authority.

**“Parity Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower issued under Section 10.5.

**“Prior Bonds”** means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described in Exhibit F, that on the date of the Local Bond’s issuance and delivery were secured by or payable from a pledge of Revenues all or any portion of which was superior to the pledge of Revenues securing the Local Bond.

**“Project”** means the particular project described in Exhibit B, the costs of the construction, acquisition or equipping of which are to be financed or refinanced in whole or in part with the Local Bond Proceeds.

**“Project Budget”** means the budget for the financing or the refinancing of the Project, a copy of which is attached to this Agreement as Exhibit C, with such changes therein as may be approved in writing by the Authority.

**“Project Costs”** means the costs of the construction, acquisition or equipping of the Project, as further described in the Project Budget, and such other costs as may be approved in writing by the Authority, provided such costs are permitted by the Act.

**“Qualified Independent Consultant”** shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a Consulting Engineer, so long as such individual is not an employee of the

Borrower, and an independent certified public accountant or firm of independent certified public accountants. Such individual or firm shall be subject to the reasonable approval of the Authority.

**“Revenues”** means (i) all rates, fees, rentals, charges and income properly allocable to the System in accordance with generally accepted accounting principles or resulting from the Borrower’s ownership or operation of the System, excluding customer and other deposits subject to refund until such deposits have become the Borrower’s property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Borrower, (iv) amounts that may be appropriated for and paid to the Borrower by the County under the Support Agreement or otherwise, and (v) any other income from other sources pledged by the Borrower to the payment of its Local Bond.

**“Service Contracts”** means the Agreement for Sale and Purchase of Water dated May 6, 2014, between the Borrower and the Buchanan County Public Service Authority; Water Sale Agreement dated July 8, 2015, between the Borrower and the Town of Honaker, Virginia; Agreement for the Bulk Sales of Water dated March 14, 2002, between the Borrower and the Town of Lebanon, Virginia; Agreement for the Bulk Sale of Water dated June 11, 2001, between the Borrower and the Tazewell County Public Service Authority; and Contract for Sale of Water dated October 3, 2013, between the Borrower and the Washington County Service Authority [ADD ANY SERVICE CONTRACTS TRANSFERRED FROM CASTLEWOOD WSA].

**“Subordinate Bonds”** means bonds, notes or other evidences of indebtedness of the Borrower described on Exhibit F, secured by or payable from a pledge of Revenues expressly made subordinate to the pledge of Revenues securing the payment of the Local Bond.

**“Support Agreement”** means the Support Agreement, dated the date hereof, among the Borrower, the Authority and the County, substantially in the form of Exhibit H hereto.

**“System”** means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Borrower and used in connection with the collection, supply, treatment, storage or distribution of water or the collection or treatment of wastewater as the same may from time to time exist.

**“Transfer Agreement”** means the Transfer Agreement dated as of \_\_\_\_\_, 2019, between the Borrower and \_\_\_\_\_.

**Section 1.2. Rules of Construction.** The following rules shall apply to the construction of this Agreement unless the context requires otherwise:

- (a) Singular words shall connote the plural number as well as the singular and vice versa.
- (b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

## **ARTICLE II**

### **REPRESENTATIONS**

**Section 2.1. Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing “local government” (as defined in Section 62.1-233 of the Act) of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Local Resolution and execute and deliver this Agreement, the Support Agreement, the Transfer Agreement and the other documents related thereto, (ii) issue, sell and deliver the Local Bond to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire or equip the Project (as described in Exhibit B) and finance or refinance the Project Costs by borrowing money for such purpose pursuant to this Agreement and the issuance of the Local Bond, (vi) pledge the Revenues of the System to the payment of the Local Bond, and (vii) carry out and consummate all of the transactions contemplated by the Local Resolution, this Agreement, the Support Agreement and the Local Bond.

(c) This Agreement, the Support Agreement, the Transfer Agreement and the Local Bond were duly authorized by the Local Resolution and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Local Resolution was adopted.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower’s adoption of the Local Resolution, (ii) the execution and delivery by the Borrower of this Agreement, the Support Agreement, the Transfer Agreement and the Local Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, equipping, occupation, operation and use of the Project, and (v) the operation and use of the System. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement, the Support Agreement and the Transfer Agreement have been executed and delivered by duly authorized officials of the Borrower and constitute a legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms.

(f) When executed and delivered in accordance with the Local Resolution and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of this Agreement, the Support Agreement and the Transfer Agreement and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of, (i) to the best of the Borrower's knowledge, any Federal, or Virginia constitutional or statutory provision, including the Borrower's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bond and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement, the Support Agreement or the Local Bond. The execution and delivery by the Borrower of this Agreement, the Support Agreement or the Local Bond and the compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Resolution, this Agreement, the Support Agreement or the Local Bond or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Resolution, this Agreement, the Support Agreement, the Local Bond or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under

the Local Resolution, this Agreement, the Support Agreement or the Local Bond, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Borrower to pledge the Revenues to the payment of the Local Bond.

(k) There have been no defaults by any contractor or subcontractor under any contract made by the Borrower in connection with the construction or equipping of the Project.

(l) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(m) Except as may otherwise be approved by the Authority or permitted by the terms of this Agreement, the System at all times is and will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(n) There is no indebtedness of the Borrower secured by or payable from a pledge of Revenues on a parity with or prior to the lien of the pledge of Revenues securing the Local Bond except any Existing Parity Bonds or Prior Bonds set forth on Exhibit F.

(o) The Service Contracts are in full force and effect; no default or event of default has occurred and is continuing under the Service Contracts; and the Borrower is not currently aware of any fact or circumstance that would have an adverse impact on the Borrower's ability to set rates, to receive payments, or to exercise any other rights and remedies available to the Borrower, under or pursuant to the Service Contracts.

(p) No Event of Default or Default has occurred and is continuing.

### **ARTICLE III** **ISSUANCE AND DELIVERY OF THE LOCAL BOND**

**Section 3.1. Loan to Borrower and Purchase of the Local Bond.** The Borrower agrees to borrow from the Authority and the Authority agrees to lend to the Borrower, from the Fund, the principal amount equal to the sum of the principal disbursements made pursuant to Section 4.1, but not to exceed \$\_\_\_\_\_ for the purposes herein set forth, a portion of which may be made from federal financial assistance. The Borrower's obligation shall be evidenced by the Local Bond, which shall be in substantially the form of Exhibit A attached hereto and made a part hereof and delivered to the Authority on the Closing Date. The Local Bond shall be in the original principal amount of the loan and shall mature, bear a Cost of Funds and be payable as hereinafter provided.

**Section 3.2. Conditions Precedent to Purchase of the Local Bond.** The Authority shall not be required to make the loan to Borrower and purchase the Local Bond unless the Authority shall have received the following, all in form and substance satisfactory to the Authority:

- (a) The Local Bond, the Funding Agreement, the Support Agreement and the Transfer Agreement.
- (b) A certified copy of the Local Resolution.
- (c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.
- (d) A closing certificate from the Department certifying that the Project is in compliance with all federal and state laws and project requirements applicable to the Fund.
- (e) A certificate of the Consulting Engineer estimating the total Project Costs to be financed with the Local Bond Proceeds, which estimate is in an amount and otherwise compatible with the financing plan described in the Project Budget.
- (f) A certificate of the Consulting Engineer to the effect that in the opinion of the Consulting Engineer (i) the Project will be a part of the System, and (ii) the Local Bond Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.
- (g) A certificate, including supporting documentation, of a Qualified Independent Consultant that in the opinion of the Qualified Independent Consultant, during the first two complete Fiscal Years of the Borrower following completion of the Project, the projected Net Revenues Available for Debt Service will satisfy the rate covenant made by the Borrower in Section 5.1(a). In providing this certificate, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person or entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues to be derived under existing contractual arrangements entered into by the Borrower and from reasonable estimates of growth in the consumer base of the Borrower.
- (h) A certificate of the Consulting Engineer as to the date the Borrower is expected to complete the acquisition, construction and equipping of the Project.
- (i) Evidence satisfactory to the Authority that all governmental permits, licenses, registrations, certificates, authorizations and approvals for the Project required to have been obtained as of the date of the delivery of this Agreement have been obtained and a statement of the Consulting Engineer that he knows of no reason why any future required governmental permits, licenses, registrations, certificates, authorizations and approvals cannot be obtained as needed.
- (j) Evidence satisfactory to the Authority that the Borrower has obtained or has made arrangements satisfactory to the Authority to obtain any funds or other financing for the Project as contemplated in the Project Budget.

(k) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(l) An Opinion of Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(m) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(n) Evidence satisfactory to the Authority that the Borrower has complied with the insurance provisions set forth in Sections 9.1 and 9.2 hereof.

(o) Evidence that the Borrower has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing agreements for the Existing Parity Bonds.

(p) Evidence satisfactory to the Authority that the Service Contracts are in full force and effect and that they are binding and enforceable agreements as to each of the Borrower and the other parties to such agreements.

(q) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require, including an opinion from counsel acceptable to the Authority that the Support Agreement and the Transfer Agreement are valid and enforceable against the Borrower, subject to usual and customary qualifications.

#### **ARTICLE IV**

#### **USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT**

##### **Section 4.1. Application of Proceeds.**

(a) The Borrower agrees to apply the Local Bond Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees to exhibit to the Board or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Board) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Agreement;

(2) If any requisition includes an item for payment for labor or to contractors, builders or materialmen,

(i) a certificate, signed by the Consulting Engineer, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Board, the Authority shall disburse Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Board and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the Local Bond. The Authority shall have no obligation to disburse any such Local Bond Proceeds if the Borrower is in default hereunder nor shall the Board have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable laws of the Commonwealth of Virginia, including but not limited to, the Virginia Public Procurement Act, as amended, regarding the awarding and performance of public construction contracts related to the Project. Except as may otherwise be approved by the Board, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the Local Bond to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled, the Authority, to the extent approved by the Board and subject to the provisions of this Section and Section 4.2, will disburse to or for the account of the Borrower Local Bond Proceeds to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, principal installments due on the Local Bond shall be reduced only in accordance with Section 6.1.

**Section 4.2. Agreement to Accomplish Project.** The Borrower agrees to cause the Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Board. The Borrower shall use its best efforts to complete the Project by the date set forth in the certificate provided to the Authority pursuant to Section 3.2(h). All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Authority and the Board through their duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the

Authority, with the consent of the Board, may amend the description of the Project set forth in Exhibit B.

When the Project has been completed, the Borrower shall promptly deliver to the Authority and the Board a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Board, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

**Section 4.3. Permits.** The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Authority and the Board copies of all such permits, consents and approvals. The Borrower shall also comply with all lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Board in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed from the Fund under the Act. The Borrower shall also comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof from the Fund, including, but not limited to, the federal "crosscutting" requirements identified in Schedule A of the Commitment Letter. Where noncompliance with such requirements is determined by the Authority or the Board, the issue shall be referred to the proper federal authority or agency for consultation or enforcement action.

**Section 4.4. Construction Contractors.** Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder's risk insurance, workers' compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer. Upon request of the Authority or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority and the Board.

**Section 4.5. Engineering Services.** The Borrower shall retain a Consulting Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the Project. The Consulting Engineer shall certify to the Fund, the Authority and the Board as to the various stages of the completion of the Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the Project provide to the Fund, the Authority and the Board the certificates required by Sections 4.1 and 4.2.

**Section 4.6. Borrower Required to Complete Project.** If the Local Bond Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority or the Board or any abatement, diminution or postponement of the Borrower's payments under the Local Bond or this Agreement.

## **ARTICLE V** **PLEDGE, REVENUES AND RATES**

**Section 5.1. Pledge of Revenues; Rate Covenant.** Subject to the Borrower's right to apply Revenues to the payment of Operation and Maintenance Expense, the Revenues are hereby pledged to the Authority, as Administrator of the Fund, to secure the payment of the principal of and Cost of Funds on the Local Bond and the payment and performance of the Borrower's obligations under this Agreement. This pledge shall be valid and binding from and after the execution and delivery of this Agreement. The Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. The lien of this pledge of the Revenues is on a parity with the lien of the pledge of the Revenues securing the Existing Parity Bonds. The lien of this pledge shall, subject to the right of the Borrower to apply Revenues to the payment of Operation and Maintenance Expense, have priority over all other obligations and liabilities of the Borrower, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge.

(a) The Borrower covenants and agrees that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 100% of the amount required during the Fiscal Year to pay the principal of and Cost of Funds on the Local Bond, the Additional Payments and all other indebtedness of the Borrower secured by or payable from Revenues including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. If, for any reason, the Revenues are insufficient to satisfy the foregoing covenant, the Borrower shall within ninety (90) days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expense so as to provide sufficient Revenues to satisfy such requirement.

(b) On or before the last day of each Fiscal Year, the Borrower shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Borrower's rates, fees and other charges are insufficient to satisfy the rate covenant in subsection (a) of this Section, the Borrower shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operations and Maintenance Expense to cure any deficiency.

**Section 5.2. Annual Budget.** The Borrower agrees before the first day of each Fiscal Year to adopt a budget for such Fiscal Year containing all information called for by, and otherwise

being in the form of, Exhibit H to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Borrower, the Revenues estimated to be generated thereby, the expenditures anticipated by the Borrower for operations, maintenance, repairs, replacements, improvements, debt service and other purposes, and specifically identifying any amounts made available by the County pursuant to the Support Agreement. Such budget as approved by the Borrower's governing body is referred to in this Agreement as the Annual Budget. The Borrower may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in a Default. The Borrower shall submit a copy of the Annual Budget and any amendments thereto to the Authority.

**Section 5.3. Qualified Independent Consultant's Report.** (a) If at the end of any Fiscal Year, the Borrower is not in compliance with the rate covenant made by the Borrower in Section 5.1(a), within two hundred ten (210) days after the end of such Fiscal Year, the Borrower shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Borrower to satisfy the rate covenant in Section 5.1(a). The Borrower shall promptly furnish a copy of such report to the Authority and, subject to Section 5.3(b), take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

(b) If the Borrower determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Borrower may in lieu thereof adopt other procedures which the Borrower believes will bring it into compliance with the rate covenant made by the Borrower in Section 5.1(a) when such measures have been implemented and become fully effective. Such alternative plan shall be filed with the Authority not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Borrower's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, the Authority reserves the right, in its sole discretion, to reject such alternate procedures and require the Borrower to comply with the Qualified Independent Consultant's recommendations.

## **ARTICLE VI** **PAYMENTS**

**Section 6.1. Payment of Local Bond.** (a) The Local Bond shall be dated the date of its delivery to the Authority. The Cost of Funds on the Local Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate of two and fifty one-hundredths percent (2.50%) per annum, consisting of the following:

- (i) interest of one percent (1.00%) per annum payable for the benefit of the Fund, and
- (ii) one and fifty one-hundredths percent (1.50%) per annum payable as an Annual Administrative Fee.

(b) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on \_\_\_\_\_ 1, 20\_\_\_. Commencing \_\_\_\_\_ 1, 20\_\_ and continuing semi-annually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, principal and Cost of Funds due under the Local Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on \_\_\_\_\_ 1, 20\_\_\_, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment. If any installment of principal of or Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.

**Section 6.2. Payment of Additional Payments.** In addition to the payments of principal of and Cost of Funds on the Local Bond, the Borrower agrees to pay on demand of the Authority the following Additional Payments:

(1) The costs of the Fund, the Authority, the Department or the Board in connection with the enforcement of this Agreement, including the reasonable fees and expenses of any attorneys used by any of them; and

(2) All expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof.

The Borrower agrees to pay interest on any Additional Payments enumerated in (1) or (2) above not received by the Authority within ten (10) days after demand therefor at a rate of five percent (5.0%) per annum of the overdue installment from its due date until the date it is paid.

## **ARTICLE VII** **PREPAYMENTS**

**Section 7.1. Prepayment of Local Bond.** Upon completion of the Project and after giving at least ten (10) days' written notice to the Authority, the Borrower may prepay the Local Bond at any time, in whole or in part and without penalty. Such written notice shall specify the date on which the Borrower will make such prepayment and whether the Local Bond will be prepaid in full or in part, and if in part, the principal amount to be prepaid. Any such partial prepayment shall be applied against the principal amount outstanding under the Local Bond but shall not postpone the due date of any subsequent payment on the Local Bond, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

**ARTICLE VIII**  
**OPERATION AND USE OF SYSTEM**

**Section 8.1. Ownership and Operation of Project and System.** Except as may otherwise be approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person.

**Section 8.2. Maintenance.** At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

**Section 8.3. Additions and Modifications.** At its own expense, the Borrower from time to time may make any additions, modifications or improvements to the System which it deems desirable and which do not materially reduce the value of the System or the structural or operational integrity of any part of the System, provided that all such additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

**Section 8.4. Use of System.** The Borrower shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational and other changes to the System, irrespective of the cost of making the same.

**Section 8.5. Inspection of System and Borrower's Books and Records.** The Authority and the Board and their duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

**Section 8.6. Ownership of Land.** The Borrower shall not construct, reconstruct or install any part of the System on lands other than those which the Borrower owns or can acquire title to or a perpetual easement over, in either case sufficient for the Borrower's purposes, unless such part of the System is lawfully located in a public street or highway or is a main, conduit, pipeline, main connection or facility located on land in which the Borrower has acquired a right or interest less than a fee simple or perpetual easement and such lesser right or interest has been approved by written opinion of counsel to the Borrower as sufficient for the Borrower's purposes.

**Section 8.7. Sale or Encumbrance.** No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except as provided in any one of the following subsections, or as may be otherwise consented and agreed to by the Authority in writing:

(a) The Borrower may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System;

(b) The Borrower may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function; and

(c) The Borrower may sell or otherwise dispose of property constituting part of the System; provided, however, (i) no such property shall be sold or otherwise disposed of unless there is filed with the Authority a certificate of the Borrower, signed by an Authorized Representative, stating that such property is no longer needed or useful in the operation of the System, and, if the proceeds of such sale or disposition, together with the aggregate value of any other property sold or otherwise disposed of during the Fiscal Year, shall exceed \$125,000, there shall also be filed with the Borrower and the Authority a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System, and (ii) the proceeds to be received from any sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of and Cost of Funds on the Local Bond, and then, if such property constitutes part of the Project, to the prepayment of the Local Bond under Article VII hereof.

**Section 8.8. Collection of Revenues.** The Borrower shall use its best efforts to collect all rates, fees and other charges due to it, including, when appropriate, by perfecting liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Borrower shall, to the full extent permitted by law, discontinue and shut off, or cause to be discontinued and shut off, services and facilities of the System, and use its best efforts to cause to be shut off water service furnished otherwise than through the System, to customers of the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Borrower.

**Section 8.9. No Free Service.** The Borrower shall not permit connections with or the use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Borrower's uniform schedule of rates, fees and charges.

**Section 8.10. No Competing Service.** The Borrower shall not provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

**Section 8.11. Mandatory Connection.** The Borrower shall, consistent with applicable law, require the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been

constructed for residential, commercial or industrial use, to connect such building to the System; provided, however, the Borrower may permit the continued use of private systems, meeting the standards of the Board, by any such building already in existence at the time the services of the System become available to it upon such conditions as may be specified by the Borrower.

**Section 8.12. Lawful Charges.** The Borrower shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the “Governmental Charges”) which are (i) assessed, levied or imposed against the System or the Borrower’s interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Borrower shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Revenues (collectively, the “Mechanics’ Charges”). The Borrower, however, after giving the Authority ten (10) days’ notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics’ Charges. If such a contest occurs, the Borrower may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Authority, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics’ Charges promptly shall be satisfied or secured by posting with the Authority or an appropriate court a bond in form and amount reasonably satisfactory to the Authority. Upon request, the Borrower shall furnish to the Authority proof of payment of all Governmental Charges and the Mechanics’ Charges required to be paid by the Borrower under this Agreement.

## **ARTICLE IX**

### **INSURANCE, DAMAGE AND DESTRUCTION**

**Section 9.1. Insurance.** Unless the Authority otherwise agrees in writing, the Borrower continuously shall maintain or cause to be maintained insurance against such risks as are customarily insured against by public bodies operating systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System’s insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia); provided that during the construction of the Project, the Borrower may provide or cause to be provided, in lieu of the insurance in the amount of the full replacement cost of the Project, builders’ risk or similar types of insurance in the amount of the full replacement cost thereof. The determination of replacement cost shall be made by a recognized appraiser or insurer selected by the Borrower and reasonably acceptable to the Authority.

(b) Comprehensive general liability insurance with a combined single limit of \$2,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Borrower qualifies as a self-insurer under the laws of Virginia, workers' compensation insurance.

The Authority shall not have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance, or (ii) the application of the proceeds of insurance.

The Borrower shall provide no less often than annually and upon the written request of the Authority a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in full force and effect.

**Section 9.2. Requirements of Policies.** All insurance required by Section 9.1 shall be maintained with generally recognized, responsible insurance companies selected by the Borrower and reasonably acceptable to the Authority. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System and shall contain an undertaking by the insurer that such policy shall not be modified adversely to the interests of, or canceled without at least thirty (30) days' prior notice to, the Authority. If any such insurance is not maintained with an insurer licensed to do business in Virginia or placed pursuant to the requirements of the Virginia Surplus Lines Insurance Law (Chapter 48, Title 38.2, Code of Virginia of 1950, as amended) or any successor provision of law, the Borrower shall provide evidence reasonably satisfactory to the Authority that such insurance is enforceable under Virginia law.

**Section 9.3. Notice of Damage, Destruction and Condemnation.** In the case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right therein under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title, or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 9.4. Damage and Destruction.** If all or any part of the System is destroyed or damaged by fire or other casualty, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Borrower may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Borrower may apply so much as may be necessary of the Net Proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bond pursuant to Article VII.

**Section 9.5. Condemnation and Loss of Title.** If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall cause the Net Proceeds from any such condemnation award or from title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bond pursuant to Article VII.

## **ARTICLE X** **SPECIAL COVENANTS**

**Section 10.1. Maintenance of Existence.** The Borrower shall maintain its existence as a “local government” (as defined in the Act) of the Commonwealth of Virginia and, without consent of the Authority and the Board, shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of the Commonwealth of Virginia, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Authority and the Board, all of the obligations of the Borrower contained in the Local Bond and this Agreement, and there is furnished to the Authority and the Board an Opinion of Counsel acceptable to the Authority and the Board subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligation of the surviving, resulting or transferee political subdivision enforceable against it in accordance with its terms.

**Section 10.2. Financial Records and Statements.** The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower during such Fiscal Year satisfied the rate covenant made by the Borrower in Section 5.1(a). The Borrower shall furnish to the Authority copies of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower’s financial position as of the end of such Fiscal Year and the results of the Borrower’s operations and changes in the financial position of its funds for the Fiscal Year.

**Section 10.3. Certificate as to No Default.** The Borrower shall deliver to the Authority, within one hundred and eighty (180) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default or a Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

**Section 10.4. Additional Indebtedness.** The Borrower shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by or payable from a pledge of Revenues, except Subordinate Bonds or Parity Bonds.

**Section 10.5. Parity Bonds.** Provided the Borrower is not in default hereunder, the Borrower may issue bonds, notes or other evidences of indebtedness (“Parity Bonds”) ranking on parity with the Local Bond with respect to the pledge of Revenues to (i) pay Project Costs to complete the Project, (ii) pay the cost of improvements, additions, extensions, replacements, equipment or betterments and of any property, rights or easements deemed by the Borrower to be necessary, useful or convenient for the System, (iii) refund some or all of the Local Bond, Parity Bonds, Existing Parity Bonds or Prior Bonds, or (iv) effect some combination of (i), (ii) and (iii); provided in each case the following conditions are satisfied. Except to the extent otherwise consented and agreed to by the Authority in writing, before any Parity Bonds are issued or delivered, the Borrower shall deliver to the Authority the following:

(a) Certified copies of all resolutions and ordinances of the Borrower authorizing the issuance of the Parity Bonds.

(b) A certificate of an appropriate official of the Borrower setting forth the purposes for which the Parity Bonds are to be issued and the manner in which the Borrower will apply the proceeds from the issuance and sale of the Parity Bonds.

(c) If the Parity Bonds are authorized for any purpose other than the refunding of the Local Bond, Parity Bonds, Existing Parity Bonds or Prior Bonds, in form and substance satisfactory to the Authority, a certificate of the Consulting Engineer, or with respect to subsection (iv)(C) below, a certificate, including supporting documentation, of the Qualified Independent Consultant, to the effect that in the opinion of the Consulting Engineer or Qualified Independent Consultant, as applicable, (i) the improvements or property to which the proceeds from the issuance of the Parity Bonds are to be applied will be a part of the System, (ii) the funds available to the Borrower from the issuance of the Parity Bonds and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (iii) the period of time which will be required to complete such improvements or acquire such property, and (iv) (A) the Parity Bond proceeds are necessary to complete the Project, (B) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction of Revenues, or (C) during the first two complete Fiscal Years following completion of the improvements or the acquisition of the property financed with the proceeds of the Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount

required during each such Fiscal Year to pay any and all amounts due under the Local Bond, this Agreement, the Parity Bonds, any Existing Parity Bonds or Prior Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing this certificate, as applicable, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues of the System to be derived under then existing contractual agreements entered into by the Borrower and from reasonable estimates of growth in the customer base of the Borrower.

(d) If the Parity Bonds are authorized solely to refund the Local Bond (with the consent of the Authority), Existing Parity Bonds, Parity Bonds or Prior Bonds, either (i) a certificate, including supporting documentation, of a Qualified Independent Consultant satisfactory to the Authority that the refunding Parity Bonds will have annual debt service requirements in each of the years the Local Bond, Existing Parity Bonds, Parity Bonds or Prior Bonds to be refunded would have been outstanding which are lower than the annual debt service requirements in each such year on the Local Bond, Existing Parity Bonds, Parity Bonds or the Prior Bonds to be refunded, or (ii) a certificate, including supporting documentation, of the Qualified Independent Consultant to the effect that during the first two complete Fiscal Years following the issuance of the refunding Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available by the County pursuant to the Support Agreement) will equal at least 100% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bond, this Agreement, the Parity Bonds, any Existing Parity Bonds or Prior Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing the certificate described in clause (ii), the Qualified Independent Consultant may take into account the factors described in the last two sentences of subsection (c) of this Section.

(e) An Opinion of Counsel satisfactory to the Authority subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bonds and stating that its terms and provisions conform with the requirements of this Agreement and that the certificates and documents delivered to the Authority constitute compliance with the provisions of this Section.

**Section 10.6. Further Assurances.** The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights, Revenues and other funds pledged or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledge of the Revenues and other funds pledged under this Agreement and all rights of the Authority and the Board under this Agreement against all claims and demands of all persons.

**Section 10.7. Other Indebtedness.** The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

**Section 10.8. Assignment by Borrower.** The Borrower may not assign its rights under this Agreement without the prior written consent of the Authority and the Board. If the Borrower desires to assign its rights under this Agreement to another “local government” (as defined in the Act), the Borrower shall give notice of such fact to the Authority and the Board. If the Authority and the Board consent to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Authority and the Board are furnished (i) an assumption agreement in form and substance satisfactory to the Authority and the Board by which the assignee agrees to assume all of the Borrower’s obligations under the Local Bond and this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement, the Local Bond and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the foregoing, the assignment of the rights of the Borrower under the Local Bond and this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower’s obligations.

**Section 10.9. Davis-Bacon Act.** The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the Project and require that all laborers and mechanics employed by contractors and subcontractors for the Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 1450(e) of the Safe Drinking Water Act and related acts, as amended.

**Section 10.10. American Iron and Steel.** The Borrower agrees to comply with all federal requirements, including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76, and related Drinking Water State Revolving Fund Policy Guidelines, as amended and supplemented and in effect from time to time, with respect to the Project. Such requirements include, among other things, that all iron and steel products used for the Project are to be produced in the United States. The term “iron and steel products” is defined to mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete and construction materials.

**Section 10.11. Recordkeeping and Reporting.** The Borrower agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act and related acts, as amended, including any reports required by a federal agency or the Authority, such as performance indicators of program deliverables, information on costs and progress with respect to the Project. The Borrower acknowledges that each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities.

**Section 10.12. Service Contracts.** The Borrower shall give prompt notice to the Authority of any renewal, extension, amendment, default or termination of any of the Service Contracts. The Borrower shall enforce the terms of such agreements and use its best efforts to ensure that such agreements remain in full force and effect during the term of this Agreement.

**Section 10.13. Waterworks Business Operations Plan and Rate Study.** The Borrower shall provide evidence satisfactory to the Authority and the Department that the Borrower on or before March 31, 2020 has presented a final rate study to the Board of Directors of the Borrower and the County Administrator, which rate study shall project and recommend rates for a five-year period commencing with the Fiscal Year ending June 30, 2021 (the “Rate Study”) that satisfy the Rate Covenant. The Rate Study shall take into account any proposed debt and future projects of the Borrower. The Borrower shall also promptly provide a copy of the Rate Study to the Authority and the Department. Furthermore, the Borrower shall submit a Waterworks Business Operations Plan to the Department as required by Section 32.1-172 of the Code of Virginia of 1950, as amended, on or before March 31, 2020 for review.

## **ARTICLE XI**

### **DEFAULTS AND REMEDIES**

**Section 11.1. Events of Default.** Each of the following events shall be an “Event of Default”:

(a) The failure to pay when due any payment of principal or Cost of Funds due hereunder or to make any other payment required to be made under the Local Bond or this Agreement;

(b) The Borrower’s failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond, the Support Agreement or this Agreement and the continuation of such failure for a period of thirty (30) days after the Authority gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

(c) Any warranty, representation or other statement by or on behalf of Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false or misleading in any material respect;

(d) The early termination of the Funding Agreement pursuant to Sections 5.3(b) and (c) thereof.

(e) The occurrence of a default by the Borrower under the terms of any Subordinate Bonds, Parity Bonds, Existing Parity Bonds or Prior Bonds and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder;

(f) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the Revenues thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within sixty (60) days after the entry thereof;

(g) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances secured by or payable from Revenues; or

(h) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Borrower, is not dismissed within sixty (60) days after filing.

**Section 11.2. Notice of Default.** The Borrower agrees to give the Authority prompt written notice if any order, decree or proceeding referred to in Section 11.1(f), (g) or (h) is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default immediately upon becoming aware of the existence thereof.

**Section 11.3. Remedies on Default.** Whenever any Event of Default referred to in Section 11.1 shall have happened and be continuing, the Authority shall, in addition to any other remedies provided herein or by law, including rights specified in Section 62.1-237 of the Act, have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Declare immediately due and payable all payments due or to become due on the Local Bond and under this Agreement, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due on the Local Bond and under this Agreement, to enforce any other of the Fund's, the Authority's or the Board's rights under this Agreement, or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein or in the Local Bond, which the Borrower hereby agrees are assigned to the Authority upon the occurrence of an Event of Default.

**Section 11.4. Delay and Waiver.** No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be

construed to be a waiver of any such Default or Event of Default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Default or Event of Default under this Agreement shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereto.

**Section 11.5. State Aid Intercept.** The Borrower acknowledges that the Authority may take any and all actions available to it under the laws of the Commonwealth of Virginia, including Section 62.1-216.1 of the Virginia Code, to secure payment of the principal of and Cost of Funds on the Local Bond, if payment of such principal or Cost of Funds shall not be paid when the same shall become due and payable.

## **ARTICLE XII** **MISCELLANEOUS**

**Section 12.1. Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 12.2. Amendments.** The Authority and the Borrower, with the written consent of the Department, shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in writing and shall be signed by or on behalf of the Authority and the Borrower; provided, however, that the written consent of the Department shall not be required for the Authority and the Borrower to amend Articles I, V, IX and XI or Sections 10.4 and 10.5 of this Agreement.

**Section 12.3. Limitation of Borrower's Liability.** Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Borrower's obligations are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Borrower and the Borrower shall not be obligated to pay the principal of or Cost of Funds on the Local Bond or other costs incident thereto except from the Revenues and other funds pledged therefor. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

**Section 12.4. Applicable Law.** This Agreement shall be governed by the applicable laws of Virginia.

**Section 12.5. Severability.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then

such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 12.6. Notices.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

**Fund:** Virginia Water Supply Revolving Fund  
c/o Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219  
Attention: Executive Director

**Authority:** Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219  
Attention: Executive Director

**Board:** Virginia Department of Health  
109 Governor Street  
Richmond, VA 23219  
Attention: State Health Commissioner

**Borrower:** The Russell County Public Service Authority  
\_\_\_\_\_  
\_\_\_\_\_, Virginia \_\_\_\_\_  
Attention: Chairman

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Authority, the Board and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 12.7. Right to Cure Default.** If the Borrower shall fail to make any payment or to perform any act required by it under the Local Bond or this Agreement, the Authority without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5.0%) per annum until paid. The Borrower's obligation under this Section shall survive the payment of the Local Bond.

**Section 12.8. Headings.** The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

**Section 12.9. Term of Agreement.** This Agreement shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously shall have been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under this Agreement.

**Section 12.10. Commitment Letter.** The Commitment Letter is an integral part of this Agreement and shall survive closing hereunder.

**Section 12.11. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature Page Follows]*

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Supply Revolving  
Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF LOCAL BOND**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

**(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)**

**WSL-020-18**

[To Come from Borrower's Bond Counsel]

**EXHIBIT B**

**PROJECT DESCRIPTION**

**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY  
(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)  
WSL-020-18**

The Project includes financing the replacement of water lines in the Glade Hollow community and the extension of water service to the Glade Hill community, together with related expenses.

**EXHIBIT C**  
**PROJECT BUDGET**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**  
**(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)**  
**WSL-020-18**

[To Be Provided]

**EXHIBIT D**

**OPINION OF BORROWER'S BOND COUNSEL  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY  
(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)  
WSL-020-18**

[To Come from Borrower's Bond Counsel]

**EXHIBIT E**  
**REQUISITION FOR DISBURSEMENT**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**  
**(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)**  
**WSL-020-18**

[LETTERHEAD OF BORROWER]

[Date]

\_\_\_\_\_, Director  
Office of Drinking Water, 6<sup>th</sup> Floor  
Virginia Department of Health  
109 Governor Street  
Richmond, VA 23219

Re: Virginia Water Supply Revolving Fund  
The Russell County Public Service Authority  
Loan No. WSL-020-18

Dear Mr./Ms. \_\_\_\_\_:

This requisition, Number \_\_\_\_, is submitted in connection with the Financing Agreement and Funding Agreement, each dated as of \_\_\_\_\_ 1, 2019 (together, the “Agreements”) between the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund (the “Fund”), and The Russell County Public Service Authority (the “Borrower”). Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Agreements. The undersigned Authorized Representative of the Borrower hereby requests disbursement of loan proceeds under the Agreements in the amount of \$\_\_\_\_\_, for the purposes of payment of the Project Costs as set forth on Schedule 1 attached hereto.

Attached hereto are invoices relating to the items for which payment is requested.

The undersigned certifies that (a) the amounts requested by this requisition will be applied solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs, and (b) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon payment of the requisition. In addition, the undersigned certifies that the Borrower has conducted adequate oversight for compliance with the Davis-Bacon Act and related acts through (a) the review of payrolls and associated certifications, and (b) the posting of all wage determinations and additional classifications (as appropriate) on the work site, and through this oversight, the Borrower has determined to the best of its ability that the Project complies with the requirements of the Davis-Bacon Act and related acts. The Borrower further certifies that all products included in this request

satisfy the appropriate provisions of the American Iron and Steel requirements included in the Agreement.

The undersigned further certifies that (a) no Event of Default or Default has occurred and is continuing, and no condition exists which, with the passing of time or with the giving of notice or both, would constitute an Event of Default hereunder, and (b) the representations and warranties of the Borrower contained in the Agreements are true, correct and complete and the Borrower has performed all of its obligations thereunder required to be performed as of the date hereof.

This requisition includes an accompanying Certificate of the Consulting Engineer as to the performance of the work.

Sincerely,

---

(Authorized Representative of the Borrower)

Attachments

cc: VDH Project Engineer (with all attachments)

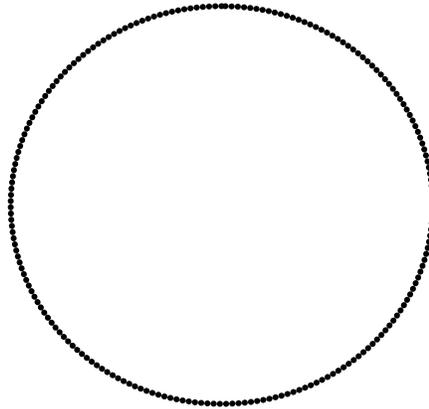
**CERTIFICATE OF THE CONSULTING ENGINEER**

**FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

Loan No. WSL-020-18

This Certificate is submitted in connection with Requisition Number \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_, submitted by The Russell County Public Service Authority. Capitalized terms used herein shall have the same meanings set forth in Article I of the Agreements referred to in the Requisition.

The undersigned Consulting Engineer for the Borrower hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the Project.



SEAL

\_\_\_\_\_  
[Consulting Engineer]

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

**SCHEDULE 1  
 VIRGINIA WATER SUPPLY REVOLVING FUND  
 FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

**REQUISITION #** \_\_\_\_\_

**BORROWER: THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**

**LOAN NUMBER: WSL-020-18**

**CERTIFYING SIGNATURE:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

Cost Category	Amount Budgeted	Previous Disbursements	Expenditures This Period	Total Expenditures to Date	Net Balance Remaining
<b>TOTALS:</b>					

**Total Loan Amount \$** \_\_\_\_\_  
**Previous Disbursements \$** \_\_\_\_\_  
**This Request \$** \_\_\_\_\_  
**Loan Proceeds Remaining \$** \_\_\_\_\_

**EXHIBIT F**

**PRIOR BONDS AND EXISTING PARITY BONDS  
THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY  
(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)  
WSL-020-18**

[To Be Completed by Borrower's Bond Counsel]

**Prior Bonds:**

None

**Existing Parity Bonds:**

**EXHIBIT G**  
**FORM OF BUDGET**  
**THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY**  
**(Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project)**  
**WSL-020-18**

**(To Be on Borrower's Letterhead)**

[Date]

Executive Director  
 Virginia Resources Authority  
 1111 East Main Street, Suite 1920  
 Richmond, VA 23219

Dear Mr./Ms. \_\_\_\_\_:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and The Russell County Public Service Authority, a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues <sup>1</sup>	Operation & Maintenance Expense	Net Revenues Available for Debt Service (Revenues – O&M Expense)	Debt Service	Coverage (Net Revenues Available for Debt Service/Debt Service)

<sup>1</sup> Of the amount set forth here as Revenues, \$\_\_\_\_\_ is derived from a transfer from the County of Russell, Virginia's general fund pursuant to the Support Agreement.

All capitalized terms used herein shall have the meaning set forth in the Financing Agreement[s].

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

## **EXHIBIT H**

### **SUPPORT AGREEMENT**

#### **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY (Glade Hollow Water Line Replacement/Glade Hill Water Service Extension Project) WSL-020-18**

**THIS SUPPORT AGREEMENT** is made as of the first day of \_\_\_\_\_, 2019, by and among the **BOARD OF SUPERVISORS OF RUSSELL COUNTY, VIRGINIA** (the “Board”), acting as the governing body of Russell County, Virginia (the “County”), **THE RUSSELL COUNTY PUBLIC SERVICE AUTHORITY** (the “Borrower”), and the **VIRGINIA RESOURCES AUTHORITY** (the “Authority”), as Administrator of the **VIRGINIA WATER SUPPLY REVOLVING FUND** (the “Fund”) and as purchaser of the Local Bond, as hereinafter defined, pursuant to a Financing Agreement dated as of the date hereof (the “Financing Agreement”), between the Authority and the Borrower.

#### **RECITALS:**

**WHEREAS**, the Borrower was created by the Board pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) and owns and operates the System in the County; and

**WHEREAS**, the Borrower has determined that it is in its best interest to issue and sell a water and sewer system revenue bond in an original aggregate principal amount not to exceed \$\_\_\_\_\_ (the “Local Bond”) to the Authority, as Administrator of the Fund, pursuant to the terms of the Financing Agreement in order to finance the Project; and

**WHEREAS**, the Board adopted on \_\_\_\_\_, 2019, a resolution authorizing, among other things, the execution of an agreement providing for a non-binding obligation of the Board to consider certain appropriations in support of the Local Bond and the Project.

#### **AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Financing Agreement.
2. The Borrower shall use its best efforts to issue the Local Bond, to use the proceeds thereof to pay the costs of the Project, and to construct and place the Project in operation at the earliest practical date.
3. No later than May 15 of each year, beginning May 15, 20\_\_\_, the Borrower shall notify the Board of the amount (the “Annual Deficiency Amount”) by which the Borrower reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Financing Agreement, the Local Bond and any other indebtedness secured by or payable

from the Revenues, including the Existing Parity Bonds set forth on Exhibit F to the Financing Agreement, (ii) the Operation and Maintenance Expense, and (iii) the Additional Payments in full as and when due during the County's fiscal year beginning the following July 1.

4. The County Administrator of the County (the "County Administrator") shall include the Annual Deficiency Amount in his budget submitted to the Board for the following fiscal year as an amount to be appropriated to or on behalf of the Borrower. The County Administrator shall deliver to the Authority within ten days after the adoption of the County's budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board has appropriated to or on behalf of the Borrower an amount equal to the Annual Deficiency Amount.

5. If at any time Revenues shall be insufficient to make any of the payments referred to in paragraph 3 hereof, the Borrower shall notify the County Administrator of the amount of such insufficiency and the County Administrator shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

6. The County Administrator shall present each request for appropriation pursuant to paragraph 5 above to the Board, and the Board shall consider such request, at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify the Authority as to whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County by the County Administrator for the County's next fiscal year.

7. The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

8. The Board acknowledges that (i) the Authority would not purchase the Local Bond without the security and credit enhancement provided by this Agreement, and (ii) the Authority is treating this Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment hereunder authorizes the Authority to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, the Authority is further relying on Section 62.1-216.1 of the Virginia Code, providing that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of

them as is necessary, to the Authority, so as to cure, or cure insofar as possible, such nonpayment.

9. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Borrower, the Authority or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

10. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to \_\_\_\_\_, Attention: County Administrator, (ii) if to the Borrower, to \_\_\_\_\_, Attention: Chairman, and (iii) if to the Authority, to 1111 East Main Street, Suite 1920, Richmond, Virginia, 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

11. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

12. This Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by the Borrower under the Financing Agreement have been paid in full.

13. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

**BOARD OF SUPERVISORS OF RUSSELL COUNTY,  
VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**THE RUSSELL COUNTY PUBLIC SERVICE  
AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Supply Revolving  
Fund**

By: \_\_\_\_\_

Title: \_\_\_\_\_



**Board of Supervisors**

137 Highland Drive  
Lebanon, VA 24266

Action Item C-1 – C-10

Presenter: Administrator

**Meeting: 7/6/20 6:00 PM**

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## County Administrator Reports & Requests

The County Administrator Reports & Request for June 2020:

### REPORTS

- 1. VDOT Smart Scale Rte. 19 (Primary Rte.) Project Application.....C-1
- 2. VDOT Smart Scale Rte. 58 (Primary Rte.) Project Application.....C-2
- 3. CDBG Planning Grant – Cleveland Sewer Treatment Plant Upgrade.....C-3
- 4. Honaker & Castlewood Canneries.....C-4
- 5. RC GIS System Upgrade,,.....C-5

### REQUESTS

- 6. RC Treasurer Authorization of Merchant Credit Card Account.....C-6
- 7. DCJS Victim Witness Program Grant (\$70,000).....C-7
- 8. CARES Oversight Committee Members.....C-8
- 9. Cumberland Community Service Board (CSB) Resignation.....C-9
- 10. RC Planning Commission Plats.....C-10

### **STAFFRECOMMENDATION(s):**

Board Discretion.

### **SUGGESTEDMOTION(s):**

Board Discretion.

### **ATTACHMENTS:**

- Various

**From:** [HB2@VirginiaHB2.org](mailto:HB2@VirginiaHB2.org)  
**To:** [LONZO.LESTER@RUSSELLCOUNTYVA.US](mailto:LONZO.LESTER@RUSSELLCOUNTYVA.US)  
**Subject:** FY22 SMART SCALE Application ID 6936-Pre, US 19 EB Super Elevation Improvements – Screened In  
**Date:** Thursday, June 18, 2020 11:51:55 AM  
**Attachments:** [SMART-Portal-Logo.png](#)

---

Congratulations! Your SMART SCALE application for US 19 EB Super Elevation Improvements has been screened in. The full application is now available in the Smart Portal. Please complete and submit the full application no later than August 3, 2020 at 5pm.

If you have any questions concerning the decision, please contact your SMART SCALE Coordinator.

---

<https://smartportal.virginiahb2.org>  
VDOT Central Office  
1401 East Broad Street  
Richmond, VA 23219  
(800) 367-7623 (toll-free)  
711 (hearing impaired)





SMART SCALE Application

## US 19 EB Super Elevation Improvements

Project Status: Pending

Organization: Russell County  
Project ID: 6936

General

### Point of Contact Information

**Project Point of Contact Name**

Lonzo Lester

**Project Point of Contact Email**

lonzo.lester@russellcountyva.us

**Project Point of Contact Phone**

(276) 880-4396

### Project Information

**Project Title**

US 19 EB Super Elevation Improvements

**Principal Improvement**

Highway

**Project Short Description**

The proposed project increases the super elevation of the eastbound direction of US 19 approximately 1,900 feet west of SR 80 to meet VDOT's minimum standards. The south side of the roadway will be kept constant while the north side will be lowered to achieve the required super elevation through the horizontal curve. Roadway improvements will occur in the median for a length of approximately 1,600' and will include a 6' paved shoulder with rumble strips.

**Does this project include any improvements to non-VDOT maintained roadways?**

No

**Application Program Requested**

District Grant

**VDOT District**

Bristol

**Project Detailed Description**

## Location

### VTRANS Needs Categories Requested

- Safety (non-CoSS)

Districts Served

MPOs Served

PDCs Served

Jurisdictions Served

### Need Justifications

#### Safety (non-CoSS)

US-19N: Us Highway 19

U.S. Route 19 NB and SB (Segment ID 140853) meet the safety improvement need. By increasing the super elevation to meet VDOT's minimum standards, the safety along U.S. Route 19 will be improved.

## Features

### Highway Improvements

Shoulder Improvement(s)

Roadway Reconstruction/Realignment

### Right-of-Way and Utilities

Right-of-Way/Easements acquisition required

## Factors

### Accessibility

Accessibility

Response

Supporting Information

### Environment

Environment

Response

Supporting Information

## Project Delivery Information

### Project Planning Status

Rural Long Range Plans

Transportation Element of Local Comprehensive Plan

## Phase Estimate and Schedule

<b>Phase Milestone</b>		<b>Status</b>
PE (Survey, Environmental, Design)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$679,870	10%	
<b>Phase Estimate + Contingency</b>		
\$747,857		
<b>Phase Milestone</b>		<b>Status</b>
RW (Right of Way and Easement Acquisition, Utility Relocation)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$66,000	10%	
<b>Phase Estimate + Contingency</b>		
\$72,600		
<b>Phase Milestone</b>		<b>Status</b>
CN (Construction, Oversight, Contingencies)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$2,430,000	10%	
<b>Phase Estimate + Contingency</b>		
\$2,673,000		

**Total Cost Estimate:**



## Economic Development Sites

Site Name	Building square footage	Category of Property

Description	Attachment Type	File Name



## Supporting Documents

### Current Attachments

Description	Attachment Type	File Name
US 19 EB Super Elevation Improvements	Project Sketch	131 - US19 EB Super Elevation Improvement.pdf
Pre-Application Modification Approval	Other	Pre-Application Modification Approval.pdf



Virginia Department of Rail and Public Transportation  
 600 East Main Street, Suite 2102  
 Richmond, VA 23219  
 (804) 786-4440



VDOT Central Office  
 1401 East Broad Street  
 Richmond, VA 23219  
 (804) 367-7623 (toll-free)  
 711 (hearing impaired)

**From:** [HB2@VirginiaHB2.org](mailto:HB2@VirginiaHB2.org)  
**To:** [LONZO.LESTER@RUSSELLCOUNTYVA.US](mailto:LONZO.LESTER@RUSSELLCOUNTYVA.US)  
**Subject:** FY22 SMART SCALE Application ID 6945-Pre, US 58 Alt Turn Lane Improvements at Sundown Drive – Screened In  
**Date:** Thursday, June 18, 2020 1:07:53 PM  
**Attachments:** [SMART-Portal-Logo.png](#)

---

Congratulations! Your SMART SCALE application for US 58 Alt Turn Lane Improvements at Sundown Drive has been screened in. The full application is now available in the Smart Portal. Please complete and submit the full application no later than August 3, 2020 at 5pm.

If you have any questions concerning the decision, please contact your SMART SCALE Coordinator.

---

<https://smartportal.virginiahb2.org>  
VDOT Central Office  
1401 East Broad Street  
Richmond, VA 23219  
(800) 367-7623 (toll-free)  
711 (hearing impaired)





SMART SCALE Application

## US 58 Alt Turn Lane Improvements at Sundown Drive

Project Status: Pending

Organization: Russell County  
Project ID: 6945

General

### Point of Contact Information

**Project Point of Contact Name**

Lonzo Lester

**Project Point of Contact Email**

lonzo.lester@russellcountyva.us

**Project Point of Contact Phone**

(276) 880-4396

### Project Information

**Project Title**

US 58 Alt Turn Lane Improvements at Sundown Drive

**Principal Improvement**

Highway

**Project Short Description**

The proposed project involves extending the turn lanes at US 58 at Sundown Dr to meet VDOT's minimum standards. The eastbound left- and westbound right-turn lanes will be extended to 200' storage and 200' taper. The eastbound left-turn lane will have a paved 4' inside shoulder and the westbound right-turn lane will have a paved 8' outside shoulder. ROW acquisition will be required for the westbound right-turn lane due to the required cross-slope to accommodate the turn lane and shoulder.

**Does this project include any improvements to non-VDOT maintained roadways?**

No

**Application Program Requested**

District Grant  
Statewide High Priority

**VDOT District**

Bristol

**Project Detailed Description**

 Location

**VTRANS Needs Categories Requested**

- Corridor of Statewide Significance

**Districts Served**

**MPOs Served**

**PDCs Served**

**Jurisdictions Served**

**Need Justifications**

**Corridor of Statewide Significance**

Roadway Intersection: Alt US-58E

The U.S. Route 58 at Sundown Drive intersection (Node ID 402154) meets the need for safety improvement (CoSS). Turn lane improvements will improve the safety of this intersection by providing more room for vehicles to queue without impacting the adjacent through movements.

 Features

**Highway Improvements**

Shoulder Improvement(s)

Turn Lane Improvement(s)

Intersection Improvement(s)

**Right-of-Way and Utilities**

Right-of-Way/Easements acquisition required

 Factors

Accessibility

Accessibility	Response	Supporting Information
---------------	----------	------------------------

Environment

Environment	Response	Supporting Information
-------------	----------	------------------------

## Project Delivery Information

### Project Planning Status

Rural Long Range Plans

Transportation Element of Local Comprehensive Plan

## Phase Estimate and Schedule

<b>Phase Milestone</b>		<b>Status</b>
PE (Survey, Environmental, Design)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$258,000	10%	
<b>Phase Estimate + Contingency</b>		
\$283,800		
<b>Phase Milestone</b>		<b>Status</b>
RW (Right of Way and Easement Acquisition, Utility Relocation)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$75,000	10%	
<b>Phase Estimate + Contingency</b>		
\$82,500		
<b>Phase Milestone</b>		<b>Status</b>
CN (Construction, Oversight, Contingencies)		Not Started
<b>Base Cost Estimate (in 2020 dollars)</b>	<b>Risks/Contingency/ Unknowns</b>	<b>Phase Duration</b>
\$1,100,000	10%	
<b>Phase Estimate + Contingency</b>		
\$1,210,000		

**Total Cost Estimate:**



## Economic Development Sites

Site Name	Building square footage	Category of Property

Description	Attachment Type	File Name



## Supporting Documents

### Current Attachments

Description	Attachment Type	File Name
US 58 Alt Turn Lane Improvements at Sundown Dr.	Project Sketch	132 - US58 at Sundown Dr.pdf



Virginia Department of Rail and Public Transportation  
600 East Main Street, Suite 2102  
Richmond, VA 23219  
(804) 786-4440



VDOT Central Office  
1401 East Broad Street  
Richmond, VA 23219  
(804) 367-7623 (toll-free)  
711 (hearing impaired)

**From:** [lonzo.lester@russellcountyva.us](mailto:lonzo.lester@russellcountyva.us)  
**To:** "[David Bradshaw](#)"  
**Subject:** FW: Web GIS Update  
**Date:** Tuesday, June 30, 2020 4:58:00 PM

---

David,

Just checking on GIS status. Hadn't heard from you.

I know that Crystal sent you our GIS shape files and we appreciate the site migration work.

Just let us know when you're ready to present.

The Board and county staff would like to attend the presentation.

Sincerely,

Lonzo Lester, MBA, CPC, VCO  
Russell County Administrator  
137 Highland Drive  
Lebanon, Virginia 24266  
276-889-8000 (Office)  
276-880-4396 (Cell)  
276-889-8011 (Fax)  
E-mail: [Lonzo.lester@russellcountyva.us](mailto:Lonzo.lester@russellcountyva.us)

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---

**From:** David Bradshaw <dbradshaw@interactivegis.com>  
**Sent:** Thursday, June 25, 2020 1:56 PM  
**To:** Lonzo Lester (Lonzo.lester@russellcountyva.us) <Lonzo.lester@russellcountyva.us>  
**Subject:** Web GIS Update

Lonzo,

Thanks for your call this morning.

Everyone here jumped in and worked to get your new site setup. This was the fastest site migration effort to date. When you are ready, I can set up a GoToMeeting so that I can present it to you.

Regards,

**David L. Bradshaw**

**CEO**

**INTERACTIVEGIS, Inc.**

Email: [dbradshaw@interactiveGIS.com](mailto:dbradshaw@interactiveGIS.com)

Phone: (540) 239-0950

Web: [www.interactiveGIS.com](http://www.interactiveGIS.com)

**From:** [alicia.mcglathlin@bvva.net](mailto:alicia.mcglathlin@bvva.net)  
**To:** [lonzo.lester@russellcountyva.us](mailto:lonzo.lester@russellcountyva.us)  
**Subject:** New Merchant Credit Card Account  
**Date:** Wednesday, June 24, 2020 2:48:06 PM

---

Mr. Lester,

I need approval from the Board of Supervisors to open a second Merchant Credit Card Account. This account will be opened in conjunction with our existing account at First Bank and Trust.

This account will allow us to pass the cost of accepting credit cards onto the customer.

I will need the minutes from the meeting showing that the Board of Supervisor has approved passing this cost onto the customers and gives approval to open this account.

Thanks for your help.

Alicia

**Alicia K. McGlothlin**  
**Treasurer of Russell County**  
**276-889-8030**  
[alicia.mcglathlin@bvva.net](mailto:alicia.mcglathlin@bvva.net)  
**Website:** [www.russellcountyva.us](http://www.russellcountyva.us)

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# COMMONWEALTH of VIRGINIA

## *Department of Criminal Justice Services*

Shannon Dion  
Director

Megan Peterson  
Chief Deputy Director

Washington Building  
1100 Bank Street  
Richmond, Virginia 23219  
(804) 786-4000  
[www.dcjs.virginia.gov](http://www.dcjs.virginia.gov)

June 1, 2020

Mr. Lonzo Lester  
County Administrator  
Russell County  
P. O. Box 1208  
Lebanon, VA 24266

RE: Victim Witness Program

Dear Mr. Lester:

Congratulations on being a recipient of the above referenced grant program! Your DCJS grant award number is **21-U3590VW19** and was approved for a total award of **\$70,000**, funded in part through Federal Grant **2018-V2-GX-0011** and **2017-VA-GX-0018**. The project period is **07/01/2020** through **06/30/2021**.

Included with this letter is a Statement of Grant Award/Acceptance (SOGA). Please note hard copies of the General Special Conditions, as well as the Reporting Requirements and Projected Due Dates, are no longer included as part of the Grant Award Package. Instead, these documents have been combined and are now referred to as **Conditions and Requirements** and are posted online at <https://www.dcjs.virginia.gov/grants/grant-requirements>.

In addition to the General Special Conditions, there may be Specific Special Conditions related to your Grant Award. You are required to view these conditions online via the Grants Management Information System (GMIS) at <https://grants.dcjs.virginia.gov/> under menu item View Status -> Special Conditions. If you have not previously done so, you must obtain a user name and password set up by your Finance Officer in order to use this web-based system.

We will be happy to assist you in any way we can to assure your project's success. To indicate your acceptance of the award and conditions, please sign the included SOGA and return it electronically within the next 60 days to [grantsmgmt@dcjs.virginia.gov](mailto:grantsmgmt@dcjs.virginia.gov). If you have questions, contact Chad Felts at (804) 225-2354 or via email at [Chad.Felts@dcjs.virginia.gov](mailto:Chad.Felts@dcjs.virginia.gov).

Sincerely,

A handwritten signature in blue ink that reads "Shannon Dion".

Shannon Dion

## STATEMENT OF GRANT AWARD (SOGA)

Virginia Department of Criminal Justice Services  
1100 Bank Street, 12<sup>th</sup> Floor  
Richmond, Virginia 23219

<b>Victim Witness Program</b>											
Subgrantee: Russell DUNS Number: 040157851                      DCJS Grant Number: 21-U3590VW19 Grant Start Date: 07/01/2020                      Grant End Date: 06/30/2021											
Federal Grant Number:                      2018-V2-GX-0011 and 2017-VA-GX-0018 Federal Awardee:                              OVC Federal Catalog Number:                      16.575 Project Description:                              To provide direct services for crime victims. Federal Start Date:                              10/1/2017 Indirect Cost Rate:                              % <b>*If applicable</b>											
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Federal Funds:</td> <td style="text-align: right;"><b>\$ 52,500</b></td> </tr> <tr> <td>State General Funds:</td> <td style="text-align: right;"><b>\$</b></td> </tr> <tr> <td>State Special Funds:</td> <td style="text-align: right;"><b>\$ 17,500</b></td> </tr> <tr> <td>Agency Match:</td> <td style="text-align: right;"><b>\$</b></td> </tr> <tr> <td> Total Budget:</td> <td style="text-align: right;"> <b>\$ 70,000</b></td> </tr> </table>		Federal Funds:	<b>\$ 52,500</b>	State General Funds:	<b>\$</b>	State Special Funds:	<b>\$ 17,500</b>	Agency Match:	<b>\$</b>	 Total Budget:	 <b>\$ 70,000</b>
Federal Funds:	<b>\$ 52,500</b>										
State General Funds:	<b>\$</b>										
State Special Funds:	<b>\$ 17,500</b>										
Agency Match:	<b>\$</b>										
 Total Budget:	 <b>\$ 70,000</b>										
Project Director	Project Administrator	Finance Officer									
Ms. Gwen Nash V/W Program Director Russell County P. O. Box 1417 Lebanon, VA 24266 (276) 889-8225 gwyn@russellcountyca.com	Mr. Lonzo Lester County Administrator Russell County P. O. Box 1208 Lebanon, VA 24266 (276) 889-8000 lonzo.lester@russellcountyva.us	Ms. Alicia McGlothlin Treasurer Russell County P. O. Box 121 Lebanon, VA 24266 (276) 889-8028 rctreas@bvunet.net									

**\*Please indicate your ICR in the space provided, if applicable.** As the duly authorized representative, the undersigned, having received the Statement of Grant Awards (SOGA) and Special Conditions, hereby accepts this grant and agree to the conditions and provisions of all other Federal and State laws and rules and regulations that apply to this award.

Signature: \_\_\_\_\_  
 Authorized Official (Project Administrator)

Title: \_\_\_\_\_

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

## Processing Expenditures Under the CARES Act

---

### Background

Localities across the state have received funding through the CARES Act. Funds can be used only as follows:

1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. Were or will be incurred during the period from March 1, 2020 through December 30, 2020.

Funds may only be used for direct costs associated with the response to the COVID-19 pandemic and CANNOT be used to make up for revenue shortfalls.

### CARES Act Expenditure Processes

Monies received under the CARES Act will be subject to single audit requirements. While detailed guidance has not been provided regarding the program, there are steps that can be taken to help ensure that funds are utilized appropriately, and adequate records are maintained for audit purposes. We recommend that the following processes be considered and incorporated within the locality's existing internal control structure:

- Establish a CARES Committee which will be responsible for reviewing and approving all requests for expenditures of CARES Funds.
- Individuals wishing to spend funds under CARES the Act complete a request/application form, *reference enclosed example*.
- Completed forms are compiled and reviewed on a routine basis by CARES committee.
- Maintain a listing of approved expenditures and file all request/application forms so that amounts are easily traced from listing to forms for audit purposes.
- Ensure that accounting records are sufficient to easily identify CARES Act spending for single audit purposes.
- Expenditure documentation should be maintained and filed in a manner that will facilitate single audit procedures.

Information presented herein is current as of June 22, 2020 and subject to change as additional information is provided from the funding source(s).

## Request for CARES Act Funds Allocation

---

Organization Name: \_\_\_\_\_

1. Individual requesting funds \_\_\_\_\_

2. Department requesting funds \_\_\_\_\_

3. Amount of request \_\_\_\_\_

4. Intended use of funds \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Is the intended use of funds a necessary expenditure(s) that has been incurred due to the public health emergency with respect to COVID-19? Yes \_\_\_\_\_ No \_\_\_\_\_

5a. Specify below why the proposed expenditure(s) is necessary due to the COVID-19 pandemic:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. The proposed expenditure(s) were not included in the budget most recently approved as of March 27, 2020? Yes \_\_\_\_\_ No \_\_\_\_\_

7. Were (or will) these expenditures be incurred between the period of March 1, 2020 and December 30, 2020? Yes \_\_\_\_\_ No \_\_\_\_\_

**NOTE: If any of the answers to questions 5-7 is "no" the proposed expenditures are not allowable in accordance with CARES Act (as approved on March 27, 2020, subject to change).**

8. The undersigned has read and understands the requirements set forth by the CARES Act and attests that above information is accurate and expenditures are in accordance with the requirements set forth.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

---

Remainder to be completed by Committee member only

---

The above request and supporting documentation has been reviewed by the Committee and approved by same? Yes \_\_\_\_\_ No \_\_\_\_\_

Amount approved \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

To: Russell County Board of Supervisors

From: Donald Ramey

Subject: Resignation from Cumberland Community Service Board

Date: June 30, 2020

I am resigning from the Cumberland Community Service Board effective this date. Due to my present working schedule and other commitments, I can no longer provide the service and time necessary to be an effective board member. I have enjoyed the opportunity to serve, and I appreciate the board allowing me to do so.

I wish both the Russell County Board of Supervisors and the Cumberland Community Service continued success in all their future endeavors.

Donald Ramey

A handwritten signature in black ink, appearing to read "Donald Ramey", with a long horizontal flourish extending to the right.

Cc: Cumberland Community Service

**NOTES**

1. AN ABSTRACT OF TITLE WAS NOT PROVIDED BY AN ATTORNEY.
2. NO WARRANTY OR GUARANTEE IS IMPLIED AS TO THE EXISTENCE OF ANY EASEMENTS OF ANY TYPE.
3. NO WARRANTY OR GUARANTEE IS IMPLIED AS TO THE EXISTENCE OF ACTS OF POSSESSION BY ADJOINING LANDOWNERS TO THE LANDS SHOWN BY THIS SURVEY.
4. NO WARRANTY OR GUARANTEE IS IMPLIED AS TO THE EXISTENCE OF ANY CEMETERIES OR GRAVES.
5. NO WARRANTY OR GUARANTEE IS IMPLIED AS TO THE EXISTENCE OF ANY UTILITIES OF ANY TYPE.
6. NO WARRANTY OR GUARANTEE IS IMPLIED AS TO THE EXISTENCE OF ANY RESTRICTIVE COVENANTS IF ANY
7. COMBINED AREAS OF (DEED BOOK 290, PAGE 291) LOT 56 THROUGH LOT 59 AND THE DEPICTED LOT 55 AND THE PORTION OF LOT 54 EQUALS 20,250 SQ FT 0.465 ACRES, MORE OR LESS.

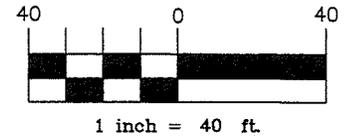
Now or Formerly  
Samuel Waldo or Patricia Lambert  
 PID No. 156RIC2788

Robert H. and Donna Dickenson  
 Deed Book 290, Page 291  
 PID No. 156RIC2817C  
 - SEE NOTE NO. 7 -

Now or Formerly  
Max L. Kestner or Teresa Fields  
 PID No. 156RIC2787A

James C. Moore  
 Deed Book 408, Page 502  
 PID No. 156RIC2817C

**SCALE**



**LEGEND**

- ⊙ IPF IRON PIN FOUND
- ⊙ IPS IRON PIN SET
- ⊙ POB POINT OF BEGINNING
- ⊙ UTILITY POLE
- TELEPHONE PEDESTAL

LINE TABLE		
LINE	LENGTH	BEARING
L1	150.00'	N38°00'00"E
L2	35.00'	S52°00'00"E
L3	150.00'	S38°00'00"W
L4	35.00'	N52°00'00"W

**BOUNDARY LINE ADJUSTMENT**

PREPARED FOR:

**ROBERT H. DICKENSON and DONNA DICKENSON**

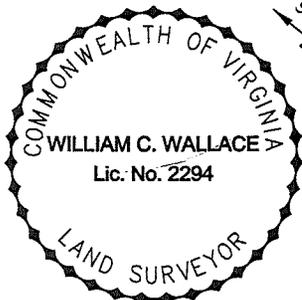
P.O. BOX 1124  
 ST. PAUL, VA 24283

Showing a parcel of land situated in the "Castlewood Heights Subdivision-Block D" in Castlewood, Virginia, said parcel being a part of Lot 54 and all of Lot 55 and a part of a tract recorded in the Circuit Court Clerks Office of Russell County to James C. Moore as Deed Book 408, Page 502.

PROJECT 051.02/051.02 dwg

\*CASTLEWOOD HEIGHTS SUBDIVISION  
 Plat Book No. 4, Page 016

Russell County Board, Chair



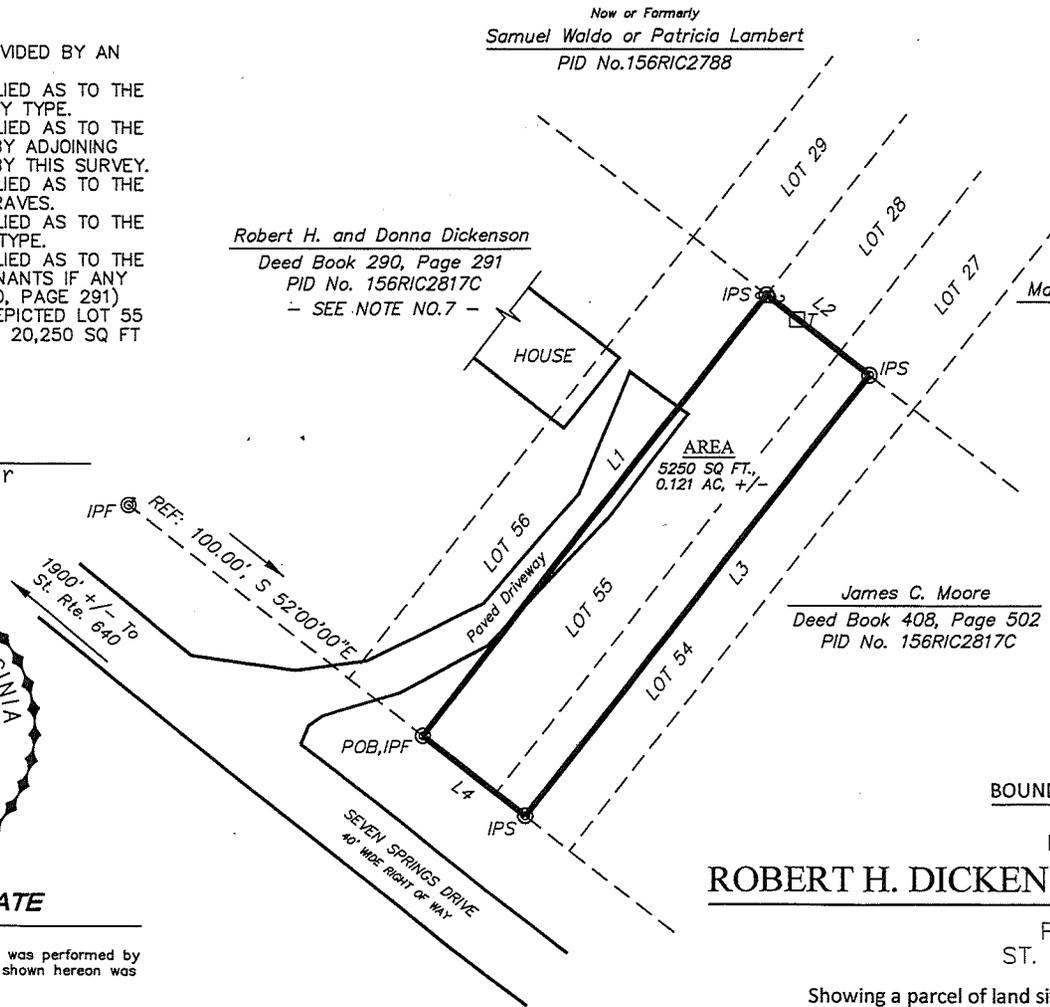
**SURVEYORS CERTIFICATE**

I hereby certify that the survey depicted by this plat was performed by myself or under my direct supervision. The boundary shown hereon was based on a field survey completed June, 2020

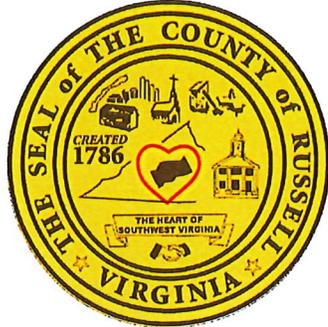
*William C. Wallace*  
 William C. Wallace, L.S. No. 2294

9 JUNE 2020  
 Date

**Wallace and Co., LLC**  
 LAND SURVEYING  
 16625 Russell Street St. Paul, Va.



*Class of 2020*



*Congratulations*

*Much success for a wonderful future  
We are extremely proud of you*

*The Russell County Board of Supervisors*

*Rebecca Dye, Chair*

*Steve Breeding, Vice-Chair*

*Tim Lovelace, District 1*

*Low Wallace, District 2*

*Carl Rhea, District 3*

*David Eaton, District 4*

*Oris Christian, At-Large*

**Castlewood High School**

Arnette, Savanah  
Artrip, Isaiah  
Ball, Joshua  
Barnette, Colby  
Barnette, Rilee  
Bise, Alisha  
Brown, Samantha  
Burns, Padraic  
Chafin, Isaiah  
Dickenson, Eli  
Dillon, Larry  
Dudley, Candler  
Dudley, Collen  
Elam, Kara  
Fox, Brooke  
French, Cassie  
Gagnon, Morgan  
Gibson, Elyssa  
Gibson, Kyra  
Gordon, Abigail  
Gray, Samantha  
Gray, Sylvia  
Greer, Joshua  
Hall, Adrianna  
Hall, Dawson  
Harris, Annaica  
Howard, Jonathan  
Howard, Victoria  
Hughes, Natahniel  
Jackson, Haley  
Jessee, Megan  
Jessee, Michael  
Jessee, Seth  
Kiser, Alexander  
Long, Chandler  
Lyttle, Shiloh  
McCowan, Austin  
McCurdy, Jade  
Mullins, Dalton  
Mullins, Dylan  
Mullins, Skylar  
Owens, Zachary  
Patton, Alexandria  
Pennington, Lilly  
Phillips, Chloe  
Phillips, Dylon

Phillips, Rosie  
Phillips, Whitley  
Poston, Jasmine  
Proffitt, Rachel  
Reynolds, Brandon  
Roberson, Skylar  
Robinette, Robert  
Robinson, Samantha  
Salyers, Meghan  
Scarberry, Brian  
Seltzer, Donovan  
Shearl, Dylan  
Shearl, Ethan  
Shortridge, Patricia  
Sifford, Cory  
Skeens, Cordelia  
Smith, Alexandria  
Smith, Cassidy  
Steffey, Angel  
Steffey, Patrick  
Surrett, Hannah  
Townes, Rebecca  
Vance, Jacob  
Young, Abbigail

Honaker High School

First Name	Middle Name	Last Name
Zachary	Lance	Austin
Morgan	Brooke	Bailey
Aidan	Blake	Baldwin
Austin	David	Ball
Noah	Braxton	Ball
Lyndsey	Nicole	Barton
Bryan	Keith	Blackwell
Chyna	Fay	Blankenship
Hannah	Bellomy	Blankenship
James	Daniel	Blanton
Victoria	Kaylee	Blazier
Peyton	Alexander	Bowman
Austin	Dakota	Carpenter
Hannah	Alexis	Carter
Dakota Robert	Blake	Casey
Gregory	Dylan	Casey
MaKayla	Brooke	Cline
Paige	Elizabeth	Coleman
Chloe	Mia	Compton
Aidan	Riley	Cook
Alexis	Jade	Cook
Dalton	Dewayne	Dales
Madison	Lynn	Davis
Jacob	Hunter	Dillon
Sheridan	Leigh	Dotson
Morgan	Brooke	Duty
Christopher	Alexander	Dye
Jeremy	Houston	Dye
Nicholas	Aaron	Dye
Trevor	Clay	Dye
Charlie	Joseph	Eads
Ethan	Shane	Earwood
Luke	Branson	Fields
Joseph	Thomas	Fox
Erik	Leon Drake	Frazier
Jacob	Alexander	Geary
Levi	Chase	Glymp
Jared	Blake	Goins
Hunter	Coltyn	Goodie
Luke	Edward	Goodie
Kiara	McKay	Gruver
Ashby	Tate	Harris

# Honaker High School

Jonathan	Darrell	Harris
Kaylee	Rachelle	Harris
Ivey	Jo	Hart
Tiffani	Amber	Hart
Andrew	Jacob	Hess
Jastin	Chancey	Hess
Lawrence	Derick	Hess
Dalton	Lee	Hill
Dalton	Scott	Honaker
Jacob	Tyler	Honaker
Mikayla	Brooke	Honaker
Travis	Paul	Honaker
Chandler	Douglas	Hubbard
Kaylei	Ashton	Hubbard
James	Matthew	Hurt
Erynn	Brooke	Jackson
Kacie	Rain	Jackson
Joel	Wesley	Johnson
Savannah	Michelle Rose	Johnson
Robert	Alexander	Joyce
Bryson	Luke	Kendrick
Abigail	Marie	Lester
Erin	LeeAnn	Lester
Brandon	Lee	Lockston
Alexis	Grace	Lowe
Lucas	Carold	Lyall
Jack	Anthony	Lynthlin
Christian	Lee	Martin
Logan Nicklous	Snead	Martin
Aaron	Logan	McGlothlin
Dawson	Juston	Miller
Levi	Seth	Miller
Christian	Paul	Musick
David	Kennith	Osborne
Timothy	Noah Jordan	Osborne
Megan	Nicole Ann	Owens
Wyatt	Cole	Ramey
Ethan	Zane	Ratliff
Lillian	Nichole	Ray
Isaac	Dailey	Richardson
Gabriel	Cade	Saunders
Meadow	Faith	Shelton
Tristan	Blake	Shinkle

Honaker High School

Makayla	Brooke	Shortt
Tex	Lee	Smith, Jr.
Madison	Rayne	Stanley
Autumn	Danielle	Stapleton
Autumn	Nicole	Stevens
Katelynn	Danielle	Stevens
Darin	Marshall	Taylor
Shawn	Andrew	Tiller
Alyssa	Grace	Tuggle
Michael	James	Walker
Ellen	Marie	Whitt
Collin	Wesley	Woodard
Christopher	Scott	Young
Johnathan	Dylan Herman	Johnson

**Lebanon High School**

<b>Diploma Name</b>	<b>Diploma Type</b>
Bethany Isabell Akers	Advanced
David Christopher Ashby	Advanced
Jocelyn Mae Bailey	Standard
Joseph Paul Bailey	Standard
Virginia Yvonne Baker	Advanced
Courtney Grace Ball	Advanced
Jessey Faith Ball	Advanced
Cheyenne Iris Dove Barton	Standard
Dustin Lee Baumgardner	Standard
Sierra Morgan Baumgardner	Standard
Jacob Alexander Boardwine	Standard
Lauren Caitlin-Olivia Boothe	Advanced
Nathan Daniel Boothe	Standard
Haley Madison Bostic	Standard
Jeania Marie Bostic	Advanced
Victoria Elizabeth Bowerbank	Advanced
Jacob David Boyd	Standard
Dalton James Coleman	Standard
Destiny Devine Collins	Advanced
Amber Nichole Combs	Standard
Lauren Faye Cornett	Advanced
Jonathan Chase Craven	Standard
JulieAnna Paige Cross	Standard
Sydney Ray Dale	Standard
Alexis Paige Davidson	Advanced
Haley Elizabeth Delp	Advanced
Shannen Rivers Dickenson	Standard
Steven Hunner Layne Dingess	Standard
Robert Austin Dotson	Standard
Clayton Raleigh Dye	Standard
Ivan Scott Dye	Applied Studies
Hannah Robin Easton	Advanced
MaKayla Ferguson	Standard
Maranda Brooke Ferguson	Standard
Caroline Elizabeth Rose Fogleman	Advanced
Devan Michael France	Standard

Olivia Jeanette Garrett	Standard
Haley Summer Gilbert	Standard
Kara Ann Gray	Advanced
Alexis Kate Hackney	Advanced
Avery Bradshaw Hackney	Advanced
Matthew Caleb Hale	Standard
Christian Blake Hall	Standard
Jasmine Makenna Hamilton-Bogus	Standard
Kaitlyn Jade Hamm	Standard
Savannah LaSha Harris	Standard
Chloe Sabra Adrianna Haun	Standard
Daniel Brian Hensley	Standard
Dylan Thomas Hensley	Standard
Gabriela Alexandra Alyssa Marie Hernandez	Standard
Gregory Allen Hess	Standard
Jaxon Cole Hess	Advanced
Isaac Dalton High	Standard
Ethan Allen Honaker	Standard
Laura Hope Honaker	Standard
Elliott Sinclair Horton	Advanced
Daigen Shane Houchins	Standard
Alyssa Jade Jackson	Standard
William Jacob Jackson	Advanced
Bradley Gage Johnson	Standard
Shyann Grace Johnson	Advanced
Travis Allen Johnson	Standard
Elijah Jackson Joyce	Advanced
Rachel LeeAnn Keen	Advanced
Anthony Jacob King	Advanced
Jordan Guy King	Standard
Jenna Christine Kiser	Advanced
Nicklous Troy Allen Kiser	Advanced
Brandon Marshal Linkous	Advanced
Kara Grace Long	Advanced
Caleb William Lowe	Advanced
Casey Josiah Martin	Advanced
Jaxson Everett McCowan	Advanced
Elizabeth Ann McGlothlin	Standard

Haley Grace Mullins	Advanced
Madison Paige Mullins	Advanced
Nathan Andrew Mullins	Advanced
Kent Bruce Musick	Standard
Lindsey Kathryn Musick	Advanced
Zebuel Quintin Musick	Standard
Jada Charlise O'Quinn	Standard
Noah Otto Owens	Standard
Hannah Beth Parks	Standard
Katelyn Brienne Perry	Standard
Ayla Marie Lee Presley	Standard
Averie Nicole Price	Advanced
Izaiah Campbell Pritt	Advanced
Myranda Jane Ramsey	Advanced
Dominic Gage Rasnake	Standard
Mary Alisabeth Rasnake	Standard
Austin Jade Ratliff	Standard
Chassidy Ilene Ray	Standard
Rachel Leeann Reynolds	Standard
Hailey Marie Rhea	Standard
Jeremy Joe Rosenbaum	Standard
Ashley Elizabeth Shortridge	Advanced
Emma Marie Skeen	Advanced
Ethan Shane Skeen	Advanced
Caleb Isaac Skeens	Advanced
Millo Esteban Slempp	Standard
Christopher Logan Smith	Advanced
Khaleigh Drew Smith	Advanced
Logan Douglas Sproles	Standard
Jaylee Reed Stanley	Advanced
Madison Layne Steele	Advanced
Stone Wrangler Stevens	Standard
Wyatt Layne Stinson	Standard
Dallas Wayne Taylor	Standard
Kensey Jane Taylor	Standard
Joshua Allen Thiel	Advanced
Issac Dean Thompson	Standard
Maliah Belle Tilley	Standard

Zilan Ty Townsend	Standard
Chance Alan Walters	Standard
Halei Nicole Lee Walters	Applied Studies
Michael Chase Welch	Standard
Casey Albert White	Advanced
William Thomas High Whited	Advanced
Brandon Kristopher Williams	Standard
Emily Victoria Rochelle Williams	Advanced
Megan ShandalePaige Williams	Standard
Dustin Thomas Woods	Standard
Laken Brooke Woods	Advanced
Devin Lee Chance Wurm	Standard
Ashley Michelle Wyatt	Standard
Tyler David Young	Standard

**Board Appointments for 2020**

Name	Term	Term Ending	Phone Number
<b><u>Industrial Development Authority</u></b>			
David Mullins	Four Years	August 1, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Community Policy Management Team</u></b>			
Patrick Brunty	Three Years	August 7, 2020	
Joni Lester	Three Years	August 7, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Heart of Appalachia</u></b>			
Heather Powers	Two Years	September 10, 2020	
Angie Carpenter	Two Years	September 10, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Highway and Safety Commission</u></b>			
Tim Lovelace	Two Years	October 1, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Industrial Development Authority</u></b>			
Jarred Glass	Four Years	October 3, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Coal Hauling Road Commision</u></b>			
Tim Lovelace	Four Years	November 7, 2020	
Name	Term	Term Ending	Phone Number
<b><u>Drill Community Center</u></b>			
Charlene Blankenship	Two Year	December 31, 2020	
Rachel Helton	Two Year	December 31, 2020	
Doug Lester	Two Year	December 31, 2020	
Harold Dean Thomas	Two Year	December 31, 2020	
Betty Sue Hess	Two Year	December 31, 2020	



COUNTY OF RUSSELL, VIRGINIA

Print Form

OFFICE USE ONLY:

COMMITTEE APPLICATION

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

Letter Sent: \_\_\_\_\_

Currently Serving On : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAME: Vance Michelle L Mrs.  
(Last) (First) (Middle Initial) (Mr., Mrs., Miss, Rank)

HOME ADDRESS: 99 Willow Spring Drive  
Lebanon, VA 24266 mvance21220@yahoo.com  
(Email Address)

TELEPHONE NUMBERS: 276-794-7839 276-206-9238  
(Home) ~~(BUSINESS)~~ Cell (FAX)

PROFESSION/VOCATION: Administrative Assistant

BOARDS/COMMISSIONS ON WHICH YOU WISH TO SERVE: Russell County Tourism Committee  
(List no more than 3 -- in order of preference:) Cumberland Mountain Community Service Board

OTHER INTERESTS: My interest is to be sure that my grandchildren have a good community to grow up in  
and that my small business has the opportunity to grow.

EDUCATION: High School Graduate; Some College; Multiple individual training courses.

JOB EXPERIENCE: Have been in the clerical field for over 30 years in multiple different positions (Resume Attached)

CIVIC OR SERVICE ORGANIZATION EXPERIENCE: Jarrettsville and Hamilton Young Marines, Russell County  
Republican Committee Secretary

ARE YOU CURRENTLY A MEMBER OF A RUSSELL COUNTY BOARD OR COMMISSION? No

IF YES, PLEASE NAME: \_\_\_\_\_

HAVE YOU PREVIOUSLY SERVED AS A MEMBER OF A RUSSELL COUNTY BOARD OR COMMISSION? No

IF YES, PLEASE NAME: \_\_\_\_\_

ARE YOU A REGISTERED VOTER? Yes DISTRICT NUMBER: 1

Michelle L. Vance  
99 Willow Springs Drive  
Lebanon, VA 24266  
H: 276-794-7839 C: 276-206-9238  
mvance21220@yahoo.com

## OBJECTIVE

A rewarding and stable opportunity by bringing value added support to a company by expanding my customer service, accounting and administrative skills.

## EMPLOYMENT EXPERIENCE

BurWil Construction Co. 620 Locust St., Bristol, TN 37620

Position: Administrative Assistant (January 2013-Present)

Responsibilities: Provide administrative support to the construction teams (project managers and superintendents) as needed. Answer phones, assist customers and subcontractors with questions and requests. Preparation and submission of requests for proposals and qualifications. Preparation of purchase order and contracts, as well as account reconciliation for each project. Prepare letters, meeting minutes, safety and background information as needed per project. Upkeep project filing and processing all requests from field employees. Processing of accounts payables and receivables as needed for job costing information.

Intellect Corporation 4000 Dillon St., Baltimore, MD 21224

Position: Project Coordinator (July 2012-September 2012)

Responsibilities: Entry of all daily reports along with safety reports and exporting to client ftp site. Updating productivity excel sheets for tracking purposes. Develop bill of material for projects. Act as liaison between field employees and the office. Create weekly roll-ups for client review. Close-out packages on a weekly basis. Develop new tracking methods for all projects. Review subcontracts and contracts for accuracy.

Lebolo Watts JV Ft. Meade, MD - Wideband Satellite Communication Center Project

Position: Project Coordinator/Quality Control Clerk (March 2012-July 2012-Temporary)

Responsibilities: Daily site reports, RFI's, Submittals, calculating exposure hours utilizing the USACE QCS System. Verifying all subcontracts are in compliance (ie. contract completion, certificates of insurance and various other site specific forms). New hire orientation as well as subcontractor orientation on job site. Review and distribution of certified payroll. General office duties such as filing, answering phones, office management etc. Effectively taking meeting minutes and compiling for distribution. Evaluation and distribution of all safety and background information for all employees working on site.

Michelle L. Vance  
99 Willow Springs Drive  
Lebanon, VA 24266  
H: 276-794-7839 C: 443-799-1615  
mvance21220@yahoo.com  
Page Two

MBR Construction Services, Inc., 10931 McCormick Rd., Hunt Valley, MD 21031

Position: Office Manager/Accounting Assistant/Project Coordinator (May 2008-March 2012)  
Responsibilities: All aspects of office management/reception/secretarial for seven person office; project coordination for multi-million dollar jobs. Processing and dealing with customers and clients on a daily basis regarding both accounts payable and receivable. Answering phones, typing letters, dictation, ordering supplies, filing, petty cash and planning. Keeping Access database of all union labor, purchase orders, subcontracts, certified payroll as well as point of contact for vendors and general contractors. New hire orientation and recruitment of field and temporary office personnel. Also included all pre-employment testing and background checks. Open and close all project and service jobs as well as processing billing (i.e. invoices & AIA's). Process all payroll and certified payroll and requests and keep track of any bonding information. Also acted as local Human Resource contact (ie. Payroll, benefits and personnel issues). Work with company Safety Director on training and injury reports.

Struever Bros. Eccles & Rouse, Inc., 1040 Hull St., Suite 200, Baltimore, MD 21230

Position: Construction Accounting Assistant (August 2005 – April 2008)  
Responsibilities: Set up new jobs, input construction budgets; training of new Project Managers on all construction software; review checks runs for accuracy; code invoices and credit card statements; review jobs for accounting accuracies, and move as necessary. Work with Operation and Project Managers to review costs on jobs. Work with VP of Construction to closeout all jobs. Take calls and question from subcontractors and other vendors and research payment histories.

Struever Bros. Eccles & Rouse, Inc., 1040 Hull St., Suite 200, Baltimore, MD 21230

Position: Administrative Assistant (September 2004 – August 2005)  
Responsibilities: Provide administrative support to the construction teams (project managers and superintendents) as needed. Preparation of AIA (invoice) packages. Activate and maintain accurate project files. Assemble and maintain close-out documents for projects. Blueprint coordination and distribution. Compose and/or transcribe meeting minutes, interoffice memos and format correspondence.

## **SPECIAL SKILLS**

Software: Expedition, Access, ACT, AS/400, Microsoft Word, WordPerfect, Microsoft Excel, PowerPoint, Microsoft Outlook, Microsoft Exchange, Netscape, Sharepoint, PaperPort, Timberline and Lotus, Remedy, USACE RMS System, etc. Strong attention to detail, organization, communication and customer service skills.

## MONTHLY BANK BALANCES

May 31, 2020

Regular Account	4,501,757.14
Employee Insurance	3,280,684.64
Employee Claims Account	1,000.00
Non-Judicial Reals Estate Sales	2,388.81
Russell Co. Housing Fund	4,424.36
School Textbook	44,919.31
Sheriff Domestic Violence	1,666.31
Petty Cash Treasurer	217.80
Sheriff Seized Assets	54,557.49
Sheriff Restitution	5,534.06
Sheriff Forfeited Assets	502.80
Comm Attorney Forfeited Assets	31,702.01
Sheriff Federal Forfeited Assets	7,523.57
Comm Attorney Fed Justice Forfeited Assets	154,392.71
Commonwealth Attorney Abanoned Property	500.00
Sheriff Federal Justice Forfeited Assets	7,915.95
Sheriff Calendar Fund	857.31
Sheriff Special Projuects	2,000.00
SSI Recipients	2,400.02
First Sentinel Bank	1,000.00
Bank of Honaker	16,276.17
New Peoples Bank	128,432.17
Certificates of Deposit General	49,575.00
Treasurer's Money Market	2,414,645.39
Certificate of Deposit Library Donations	24,788.80
<b>Total Cash In Bank</b>	<b>10,739,661.82</b>
<b>Cash In Office</b>	<b>1,600.00</b>
<b>Petty Cash</b>	<b>100.00</b>
<b>TOTAL CASH</b>	<b>10,741,361.82</b>

ACCOUNT	DATE	May 31, 2020
	DEBIT	CREDIT
Cash in Office	1,600.00	
Cash in Bank	10,739,661.82	
Petty Cash	100.00	
General Fund		4,328,143.27
Non-Judicial Real Estate Sales		2,388.81
Sheriff In State Trip		30,861.95
Sheriff Dare Fund		100.00
Sheriff Seized Assets		54,557.49
Sheriff Restitution		5,534.06
Sheriff Forfeited Assets		502.80
Comm Attorney Forfeited Assets		31,702.01
Honaker Library Donations		24,783.87
Russell County Housing Fund		4,424.36
Sheriff Federal Forfeited Assets		7,523.57
Sheriff Domestic Violence		1,666.31
Comm Attorney Abandoned Prop		500.00
Comm Attorney Fed Justice		154,392.71
Sheriff Fed Justice Forfeited		7,915.95
Sheriff Calendar Fund		857.31
Sheriff's Special Projects		2,000.00
Social Services		(309,650.32)
Swva Asap		11,968.57
Coal Road Improvement		369,947.38
CSA		(508,329.13)
School Fund		2,307,025.65
School Food		408,085.85
School Textbook		44,919.31
Regional Adult Education		252,305.60
Petty Cash Treasurer		217.80
Litter Fund Trash Pickup		(15,451.50)
Current Credit		416.46
Current Debit		14.44
Title XX		11,321.05
SSI Recipients		2400.02
Damage Stamp Fund		2,823.98
Valley Heights		63,058.64
Dante Sewer		49,575.00
Employee Health Insurance		3,280,684.64
Employee Insurance Claims		1,000.00
Law Library		56,736.59
Special Welfare		48,179.69
Housing Fund #2		7,700.00
Russell Co Health & Fitness		124,726.32
Cannery		(136,220.44)
WIB		10,051.75
<b>Total</b>	<b>10,741,361.82</b>	<b>10,741,361.82</b>

**May 14, 2020**

The Regular monthly meeting of the Industrial Development Authority of Russell County, Virginia was held on May 14, 2020 at 5:30 P.M. via conference call pursuant to the Russell County Emergency Ordinance of April 6, 2020.

**MEMBERS**

**PRESENT:** Ernie McFaddin, Chairman  
Richard Lockridge, Vice Chairman  
Carlton Elliott, Secretary  
Roger Sword, Member  
Tony Dodi, Member  
Scott Gilmer, Member  
David Mullins, Member  
Jarred Glass, Member  
Donnie Christian, Member

**STAFF:** Ben Chafin, Attorney

**GUEST:** David Leonard, Southwest Livestock, LLC

The Chairman called the meeting to order at 5:34 P.M.

Secretary called the roll and recorded the roll call.

**APPROVAL OF MINUTES**

Upon motion made by Richard Lockridge, second by Donnie Christian and duly approved by the Industrial Development Authority of Russell County, Virginia to approve the minutes of the April 14, 2020 meeting.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins

Absent: S. Gilmer

Nay: None

**FINANCIAL REPORT**

Upon motion made by Tony Dodi, second by David Mullins, and duly approved by the Industrial Development Authority of Russell County, Virginia to approve the financial reports and pay invoices presented.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins  
Absent: S. Gilmer  
Nay: None

### **ATTORNEY'S REPORT**

The attorney presented the plan for the Hansonville Agricultural Industrial Project. Mr. Leonard is seeking \$600,000.00 in funding from the Virginia Economic Development Access Funding to complete the service road to the proposed livestock market. Mr. Leonard has agreed to sign an irrevocable line of credit with First Bank & Trust to cover the VDOT funding if the project does not meet the five year performance terms, therefore Russell County will not be liable for any funds required for the construction of the access road. Mr. Leonard is asking the IDA to adopt a resolution of support for the project to be presented to the Board of Supervisors.

Upon motion made by Donnie Christian, second by Tony Dodi, and duly approved by the Industrial Development Authority of Russell County, Virginia authorizing the chairman to prepare a resolution of support for the Southwest Livestock, LLC project application for Economic Development Access Funding from VDOT. The chairman is also authorized to sign all document associated with this project.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins  
Absent: S. Gilmer  
Nay: None

The attorney informed the IDA the agreement has been prepared to release the industrial property to Mr. Phillip Powers, however Mr. Powers owes back property taxes to the county.

Upon motion made by Roger Sword, second by Richard Lockridge, and duly approved by the Industrial Development Authority of Russell County, Virginia rescinding the motion to release the Deed of Trust on the property to Mr. Powers.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins  
Absent: S. Gilmer  
Nay: None

The board discussed what could be done to continue the project with Mr. Powers.

Upon motion made by Richard Lockridge, second by Roger Sword, and duly approved by the Industrial Development Authority of Russell County, Virginia amending the performance agreement to release the deed of trust subsequent to Mr. Powers paying all delinquent taxes and completing the proposed building on the site.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins

Absent: S. Gilmer

Nay: None

#### **CHAIRMAN'S REPORT**

The chairman informed the board of the need to establish new checking accounts to manage the VCEDA and USDA loan funds and some of the other account names need to be revised.

Upon motion made by Richard Lockridge, second by Roger Sword, and duly approved by the Industrial Development Authority of Russell County, Virginia authorizing the chairman to revise the description names on the existing bank accounts with First Bank & Trust and authorize the chairman to establish new accounts with First Bank & Trust for the USDA and VCEDA revolving loan funds. The Chairman, Vice Chairman, and Secretary are authorized to sign all documents related to this transaction.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins

Absent: S. Gilmer

Nay: None

The loan application for TDEC to VCEDA needs to be modified to a grant.

Upon motion made by Roger Sword, second by Richard Lockridge, and duly approved by the Industrial Development Authority of Russell County, Virginia rescinding the motion in December to applying for a loan from VCEDA for the TDEC project.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins

Absent: S. Gilmer

Nay: None

Upon motion made by Roger Sword, second by Richard Lockridge, and duly approved by the Industrial Development Authority of Russell County, Virginia authorizing the chairman to apply to VCEDA for the \$25,000.00 Coalfield Workforce Development and Training Fund grant for the TDEC project. The chairman is authorized to sign all documents related to this transaction.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D. Mullins

Absent: S. Gilmer

Nay: None

The chairman reported to the board for a need to repair the roofing system on the government center. The cost for the repair could be offset by the rents collected on the building. The chairman has been in discussion with construction firms to do the repair and he recommends Baker Roofing.

Upon motion made by Tony Dodi, second by Donnie Christian, and duly approved by the Industrial Development Authority of Russell County, Virginia authorizing the chairman to negotiate with Baker Roofing for replacement of the roofing system on the government center.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D.

Mullins, S. Gilmer

Nay: None

### **ADJOURNMENT**

Upon motion made by Richard Lockridge, second by Donnie Christian, and duly approved by the Industrial Development Authority of Russell County, Virginia adjourning this meeting at 7:21PM.

The Roll Call Vote was:

Aye: R. Lockridge, C. Elliott, T. Dodi, R. Sword, D. Christian, J. Glass, D.

Mullins, S. Gilmer

Nay: None

# **RUSSELL COUNTY PLANNING COMMISSION**

TELEPHONE: (276) 889-8000

## **AGENDA**

**June 15, 2020**

- I. Call to Order – Chairman Meadows
- II. Invocation
- III. Pledge of Allegiance
- IV. Approval of Agenda
- V. Minutes of May 18, 2020
- VI. New Business
- VII. Review of Plats
- VIII. Other Business
- IX. Adjourn

# Russell County Planning Commission

May 18, 2020

The Russell County Planning Commission met on Monday, May 18, 2020 in the lobby of the Board of Supervisors' Meeting Room at the Russell County Government Center, 133 Highland Drive Lebanon VA.

## Members Present

Oris Christian

Dustin Keith

John Mason

Chairman Kirby Meadows

Mark A. Mitchell

Vice Chair Andy Smith

Roger Sword

Wayne Young

## Members Absent

Jack Compton (excused)

Charlie Edmonds (excused)

## Others Present

Kevin Tiller, Esq.

Chairman Kirby Meadows called the meeting to order at 6:30 p. m.

Invocation and Pledge of Allegiance given.

Agenda approved as amended. Motion by John Mason, seconded by Andy Smith.

March 16, 2020, meeting minutes approved. Motion by Oris Christian, seconded by John Mason.

## **New Business**

Plat for Thomas Young reviewed for re-subdivision. Roger Sword made motion and seconded by Mark A. Mitchell, to recommend to Board of Supervisors to approve re-subdivision.

## **Review of Plats**

Reviewed 03/17/2020 – 05/18/2020 transactions.

## **Other Business**

Nothing new from IDA from Roger Sword.

Mark A. Mitchell reported to Planning Commission about COVID-19 Relief Fund.

Oris Christian discussed Cleveland Sewer problems.

Discussion about GIS fees.

Dustin Keith advised real estate listings are down, but buyers are up. Applebee's is back on the market.

Report about Comprehensive Plan.

Chairman Meadows ask everyone to be safe.

Meeting adjourned. Motion by Mark A. Mitchell, seconded by Vice Chairman Andy Smith.

---

Kirby Meadows, Chairman

Attest:

---

Mark A. Mitchell, Secretary

**RUSSELL COUNTY PLANNING COMMISSION**

**MARCH 17, 2020- APRIL 20, 2020**

- 1. Milton Guy & Judy Harris Cemetery expansion .05  
AC + .08 AC = .13 AC Remaining AC 105.322 AC New  
Garden RD**
- 2. Milton Guy & Judy Harris Boundary line adjustment  
.598 AC + 1 AC =1.598 AC Remaining AC 104.322 AC  
New Garden RD**
- 3. Richard & Melinda Smith Boundary line  
adjustments .595 AC + 36.283 AC + 70.871 AC  
=107.719 AC, 40.920 AC + 66.819 AC= 107.739 AC  
Sandy Ridge RD**

## **RUSSELL COUNTY PLANNING COMMISSION**

**APRIL 21, 2020- MAY 18, 2020**

1. Rita Perkins 4.87AC & .88AC to be sold to JR Watson  
Boundary survey of remaining land Cricket Lane
2. Mary Bush .46AC added to Jerry Jessee .13AC & .93AC  
Total acreage is 1.52AC Adjoining land owner Mew RD
3. Benny Willis Boundary line adjustments- New acreages  
2.639AC & 1.291AC Evergreen DR
4. J Roger Garrett 38.29AC to Jerry Hawkins Remaining  
acreage 1.58AC Frontage US HWY 19
5. Thomas & Misty Young boundary line adjustment .769AC +  
.692AC + .820AC Total Acreage 1.661AC Glenview DR To  
be approved at May 18, 2020 meeting (In subdivision)

Business  
that for Thomas Young reviewed for re-subdivision. Roger Sword made motion and  
by Mark A. Mitchell, to recommend to Board of Supervisors to approve re-subdivision

### Review of Plats

Reviewed 03/17/2020 – 05/18/2020 transactions.

### Other Business

Nothing new from IDA from Roger Sword.

Mark A. Mitchell reported to Planning Commission about COVID-19 Relief Fund.

Oris Christian discussed Cleveland Sewer problems.

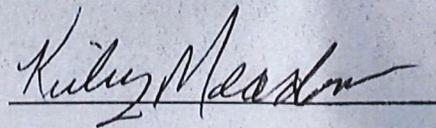
Discussion about GIS fees.

Dustin Keith advised real estate listings are down, but buyers are up. Applebee's is b  
the market.

Report about Comprehensive Plan.

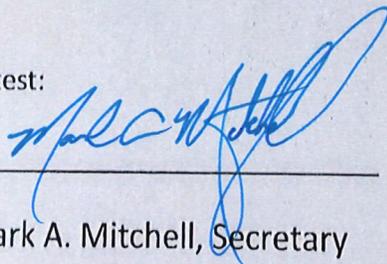
Chairman Meadows ask everyone to be safe.

Meeting adjourned. Motion by Mark A. Mitchell, seconded by Vice Chairman Andy S



Kirby Meadows, Chairman

Attest:

  
\_\_\_\_\_  
Mark A. Mitchell, Secretary

# RUSSELL COUNTY CONFERENCE CENTER

June 1, 2020

The following is a list of the Russell County Conference Center events for the month of June.

Date	Event	Event Type	Space
06/05/20	Sabinka Bingo Jodi Combs <b>Canceled Due To COVID-19 Virus</b>	Community Event	Full \$0
06/06/20	Class Reunion Connie Hale <b>Canceled Due To COVID-19 Virus</b>	Individual Event	Full \$0
06/11/20	Star Ministries Sabika Bingo Becky Robinette	Community Event	Full \$125
06/12/20	Appalachian Agency Senior Citizens Tonya Holmes <b>Canceled Due To COVID-19 Virus</b>	Community Event	Full \$0
06/13/20	Southwest Virginia Veterinary Service Fund Raiser Ruth Johnson <b>Canceled Due To COVID-19 Virus</b>	Community Event	Full \$0
06/14/20	Birthday Party Stephanie Honaker <b>Canceled Due To COVID-19 Virus</b>	Individual Event	Full \$0
06/15/20	Mountain Movers Kevin Blankenship	Community Event	Full <b>Free</b> \$0
06/16/20	DMME VA Gas & Oil Meeting Rick Cooper	Community Event	Full \$0

	<b>Canceled Due To COVID-19 Virus</b>		
06/18/20	Voter Officer Training Yvonne Cook <b>Canceled Due To CONVID-19 Virus</b>	Community Event	Half \$0
06/19/20	Regional IDA Board Meeting Lonzo Lester	Individual Event	Quarter <b>Free</b> <b>\$0</b>
06/21/20	Wedding Shower Jessica Campbell	Individual Event	Half \$100
06/22/20	Cumberland Plateau Board Band Advisory Council Meeting Kelly O'Quinn	Community Event	Full \$135
06/23/20	PSA Board Meeting and Public Hearing Rhonda Lester	Community Event	Full <b>Free</b> \$0
06/25/20	Cumberland Plateau PDC Annual Meeting Kelly O'Quinn	Community Event	Full \$155
06/27/20	Class Reunion Dema Crabtree <b>Canceled Due To CONVID-19 Virus</b>	Individual Event	Full \$0
06/28/20	Baby Shower Bobbi Mullins <b>Canceled Due To COVID-19 VIRUS</b>	Individual Event	Full \$0
06/30/20	VECEDA Board Meeting Jonathan Belcher	Community Event	Full <b>Free</b> \$0

(Total: \$515.00)

- \$450

**Final Total = \$ 65.00**

**Due To The CONVID-19 Virus Pandemic we had to canceled some events for the month. The Grand total of events canceled are \$875.00**

## Russell County Health & Fitness

### Membership

2018	2019						2020					
	July	August	September	October	November	December	January	February	March	April	May	June
Members / Class Packages	183	178	175	169	184	192	228	237	206	148	132	156
Pay Per Class	5	0	0	2	3	3	3	2	5	0	0	4
Total Engagement	188	178	175	171	187	195	231	239	211	148	132	160

### Sales

Sales Month to Date *	\$830.00	\$653.00	\$418.00	\$398.00	\$1,069.00	\$752.00	\$1,231.50	\$1,305.75	\$890.75	\$ -	\$ -	\$ 339.00
Silver Sneakers	\$250.00	\$230.00	\$232.50	\$227.50	\$252.50	\$215.00	\$205.00	\$142.00	\$261.50	\$ -	\$ -	\$ -
Renew Active								\$131.20	\$172.80	\$ -	\$ -	\$ -
	\$1,080.00	\$883.00	\$650.50	\$625.50	\$1,321.50	\$967.00	\$1,436.50	\$1,578.95	\$1,325.05	\$ -	\$ -	\$ 339.00

### Payroll

Instructor / Trainer Payroll	\$825.00	\$1,005.00	\$960.00	\$810.00	\$1,035.00	\$990.00	\$735.00	\$1,245.00	\$1,110.00	\$300.00	\$0.00	\$240.00
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\* Reporting from 5/27/20 to 6/22/20

\* SALES NOW REFLECT CASH AND CHECKS COLLECTED BY THE FITNESS CENTER ONLY \*

\* Reflects closing of fitness center for COVID-19 \*

THE RUSSELL COUNTY TRANSPORTATION AND SAFETY COMMISSION MET AT THE BONANZA RESTAURANT IN LEBANON VIRGINIA ON JUNE.9TH 2020

**MEMBERS & GUEST PRESENT**

EUGENE FERGUSON TONYMAXFIELD Linda Cross Mike O'Quinn  
Henry Stinson GARY DOTSON Barbara Cox Carl Rhea

**GUARD RAILS**

1-GUARD RAILS REPLACED AS DAMAGED

**SHOULDER REPAIR AND POT HOLE**

- 1-Rt. 58E between mile marker 68 & 70 several ruff places in pavement
- 2-RT 662 ONE FOURTH MILE NEAR SPRING CITY NEEDS RIP RAP
- 3- RT. 19s between Rat 614 & 58 a bad pot hole
- 4-Rt 613/58 just off Rt. 58 at parking lot ASPHALT has broken off causing vehicle problems. Gravel has been pulled up against pavement
- 5Rt679Tumbezumbez,pipe,needs,to,be,cleaned,out,presently,have,a,permit,to,cl  
ean,weather,permiting
- 6-Rt 19S/949 needs signs warning of an intersection or/and watch vehicle turn
- 7-Rt 645 ruff spot in asphalt needs new patch this spring
- 8-Rt 645 asphalt coming off in curve needs new patch ¼ mile on RT. 620
- 9-Rt 67S pavement broke up in the middle of the road just before RT 67 in a steep curve
- 10-Rt 620 one mile up out of Finney pavement broken off needs pipe and filled
- 11-Laurel Branch off Drill Road highway broken off been repaired but is sinking
- 12-All, backroads, need, grass, cut, for, visibility
- 13-Rt 67/635 Horton ridge past L&M auto parts pipe stopped up causing water in road freezing into ice
- 14- Rt. 615 Dinsmore Hill large ruff spot pavement coming up
- 15-Rt. 666 Calvary Baptist Church about ½ mile rough spots both lanes
- 16-Rt63, 615, near, 870, intersection, tree, hanging, over, the, wall
- 17-Rt616, Chaney, Cr, road, breaking, off, in, a, shop, curve
- 18-Rt615, big, pot, hole, near, moss, three
- 19-Rt615, cracker, neck, area, back, valley, dip, in, road
- 20-Rt-67, Miller, Cr, hill, shoulder, breaking, off, half
- 21-Rt-  
19,near,dollar,general,store,a,small,tree,blocking,visibility,for,highway,enterance
- 20-  
Rt.628E,needs,material,picked,up,so,drainage,can,flow,off,the,highway,and,drain

age,ditch,at,end,of,discharge,pipe,is,to,high,causing,water,to,back,up,into,road,pl  
us,gravel,needs,to,to,placed,on,shoulder,also,road,needs,to,be,patched

21-Rt.628.two, large, pot, holes, near, the, top, of, the, hill

22682,dead,tree,hanging,over,the,road,half,mile,from,Rt609,and,brush,from,falle  
n,trees,laying,along,same,area,needs,to,be,picked,up

23-Rt.601,Skeens,Fork,Sandy,Ridge.road,washout,causing,road,to,break,off

**SCHOOL BUS SAFETY AND OTHER CONCERNS**

- 1- Rt.19 N / RT 80 INTERSECTION LINES NOT VISIBLE FOR TRAFFIC LANES
- 2-Rt 71N request speed limit signs need to be moved back near Fincastle Subdivision to slow down oncoming traffic
- 3-Rt 80 Blackford Bridge ruff possibility dropping down
  
- 4—Rt. 816 & 819 road narrow need delineator's installed

**ITEMS REPORTED CORRECTED**

- 1-Laurel.Br.Bridge.needs.to.be.resurfaced.
- 2-Campbell.Hollow.down.from.Finney.Rd.several.pot.holes
- 3-Rt.622.Miller.Cr.just.before.apple.blossom.needs.a.delineator.installed

**FUTURE MAJOR SAFETY PROJECT**

- 1-RT 627 DANTE SAWMILL HOLLOW CURVE NEEDS WIDENED AT THE UPPER END NEAR THE BALLFIELD and also the one lane road near the R.R tracks TO HANDLE ANTICIPATED HEAVY TRAFFIC TO A CAMP SITE
- 2-
- 3- RT 58 CASTLEWOOD NEAR THE FAIRGROUND EXIT MEDIAN NEEDS TO BE LOWERED FOR BETTER VISIBILITY
- 4-58W CASTLEWOOD AT THE TRAFFIC LIGHTS ROAD HOOVES UP THAT COULD CAUSE A POTENTIAL HAZARD CONDITION. PAVING SCHEDULED IN 2021 WILL BE FIXED THEN
- 5-Rt. 71s / 604 Molls Creek INTERSECTION needs bank scaled back for visibility instead a stop bar will be installed and brush to be keep trimmed
- 6-Rt. 80 from the doubles to Rt. 19 needs a passing lane installed

**COMMISIOM MEMBER INFROMATION**

Barbara COX	971 1502	JOHNNY JESSEE	889 1563
LINDA CROSS	794 7618	TIM LOVELACE	971 0367
GARY DOTSON	7 62 9803	TONY MAXFIELD	254 2492

EUGENE FERGUSON 971 1738  
CARL RHEA 2543810  
EMORY ALTIZER 880 1058

MIKE O'QUINN 701 7086  
HENRY STINSON 873 4905

**NEXT MEETING WILL BE JULY 14<sup>TH</sup> 2020 WE THANK ALL WHO ARE INVOLVED  
IN KEEPING OUR ROADWAYS SAFE AND OUR GUEST PARTICIPATION**

**SAFETY IS A COMMITMENT!!!!!!!!!!!!!!PREPARED BY GARY DOTSON**

## Animal Control Report

Animal control answered 120 calls

8 dogs owner reclaimed

63 dogs transferred to rescue

# Library Board of Trustees Meeting



Members Present		Members Absent
Judy Ashbrook		Yvonne Dye
Susan Breeding	Karen Herndon	Sherry Lyttle
Karen Davis		Sharon Van Dyke

Chair Karen Herndon called the meeting to order 19 May 2020 at 5:04 pm.

**Minutes:** Judy Ashbrook moved and Ann Monk seconded a motion to approve the February, March, and April minutes as corrected and distributed; motion passed.

**Communications:**

**Financial:** Ann Monk made and Karen Davis seconded a motion to approve the bills; motion passed.

**Staff Reports:** Kelly McBride Delph reviewed the Programs and Director's Reports.

**Unfinished Business:**

**New Business:**

Susan Breeding moved and Karen Davis seconded a motion to approve the Strategic Plan without changes; motion passed.

Karen Davis made and Judy Ashbrook seconded a motion to approve reopening RCPL under phased plan distributed to the board members; motion passed.

Susan made and Ann seconded a motion to adjourn.

**Review and Summary:**

Strategic Plan was reviewed, RCPL will begin phased reopening May 26, and a budget work session was scheduled for June 4 at 5 pm with alternate date of June 9.

Respectfully submitted,      Kelly McBride Delph

**MINUTES OF THE PUBLIC HEARING ON RESTRUCTURE OF WATER AND SEWER  
RATES AND FEES AND MONTHLY BOARD OF DIRECTORS' MEETING**

**MINUTES OF A PUBLIC HEARING ON RESTRUCTURE OF WATER AND SEWER RATES AND FEES AND MONTHLY MEETING OF DIRECTORS** of The Russell County Public Service Authority held at held at 137 Highland Drive Lebanon, VA 24266 on this 23rd day of June 2020 at 6:00 PM.

1. The following members were present, constituting a quorum (4):  
Carter McGlothlin, Chairman;  
Clifford Hess, Vice Chairman  
Cuba Porter, Treasurer;  
Chris Dye;  
Donnie Christian;  
David Edmonds, Jr.;  
Joe Huff; and  
Rhonda Lester, Secretary.
  
2. Also present:  
Harvey Hart;  
James Baker, T&L;  
Rita Baker, T&L;  
Katie Patton;  
Matthew Lane, The Lane Group, Inc.;  
Kevin Heath, The Lane Group, Inc.;  
Lou Ann Wallace;  
Jerry Hess;  
Glen Hubbard;  
Doug Northen; and  
Larry Whited
  
3. All the directors of The Russell County Public Service Authority being present, formal notice calling the meeting was dispensed with, and the meeting declared to be regularly called.
  
4. Carter McGlothlin acted as Chairperson of the meeting and Rhonda Lester as Secretary of the meeting.
  
5. Harvey Hart opened the meeting with the Pledge of Allegiance followed by a prayer led by Cuba Porter
  
6. Approve Agenda -  
Motion to amend the agenda to revise Heading to read "The Russell County Public Authority Public Hearing on Restructure of Water and Sewer Rates and Fees and Monthly Board of Directors Meeting Agenda; revise Outline number VI. to read "Public Hearing on Restructure of Water and Sewer Rates and Fees; revise Outline number XI. New Business a) to read

“Discuss/Approve Resolution for Proposed Restructure of Water and Sewer Rates and Fees; add “ Enter into (closed) executive session pursuant to Section 2.2-3712 (5) of the Code of Virginia to discuss legal matters pursuant to 2.2-3711(A)(7)(8) of the Code of Virginia” as Outline number XIII; revise Outline number XIV. to read “Matters presented by the Board; and Outline number XV. to read “Adjournment” made by Clifford Hess, seconded by Chris Dye, and unanimously adopted.

7. Carter McGlothlin, Chairman welcomed everyone to the Public Hearing on Restructure of Water and Sewer Rates and Fees. The floor was left open for individuals to address the board and public comments were given as follows:

Mr. Jerry Hess (Swords Creek section) addressed the Board with a request for the Board to keep any increases in the rates and fees at a minimum in order to help the citizens on fixed incomes.

There being no further comments to come before the Board, the Public Hearing was closed at 6:10 PM.

8. Minutes of the last meeting dated May 19, 2020 were reviewed and, upon motion duly made by Cuba Porter, seconded by Clifford Hess, were unanimously adopted as read.

9. Harvey Hart, Director, presented to the meeting:

- Bank Activity and Account Balances Reports
- Profit and Loss Reports
- Outstanding Construction Receivables Report
- Systems Water Loss Reports

and upon motion made by Donnie Christian, seconded by Cuba Porter, were unanimously adopted as presented.

10. Rita Baker with Thompson & Litton presented to the meeting the following project updates from May 19, 2020 to date:

- CREEK SIDE/EAGLES NEST /BOODY WATER LINE EXTENSION PROJECT  
This reporting period, 300 LF of 2-inch line was installed, 5 meters were set, and clean up was done in the Eagles Nest area. Paving was done in the Creekside section.

- CLEVELAND TRASH SITE/COUNTY  
Finished installation of fence and pouring concrete. Site is complete.

- DOG TOWN TRASH SITE/COUNTY  
Continued work on site.

- DANTE CAMPGROUND SITE/COUNTY  
Continued work on site.

- BELFAST (RT. 603) - EXTENSION  
Construction started with 655 LF of 6-inch line, 30 LF of 12-inch casing, (1) 4-inch meter and vault, (3) 6-inch gate valves, and (1) 4-inch gate valve being installed.

- LAKE BONAVENTURE TO SOUTH CLINCHFIELD PH II  
Will be starting work on design and plans.

11. Kevin Heath with The Lane Group, Inc. presented to the meeting a brief description of the outcome of their rate study and explained the scenario used to construct the new proposed rates and fees.
12. Carter McGlothlin, Chairman presented to the meeting and thereupon the following resolutions were offered.

**IT WAS RESOLVED THAT:**

- Motion to discuss the Resolution for the Proposed Restructure of Water and Sewer Rates and Fees made by Cuba Porter, seconded by Chris Dye, and unanimously adopted.
- Motion to approve the Resolution for the Proposed Restructure of Water and Sewer Rates and Fees made by David Edmonds, Jr, seconded by Cuba Porter, and unanimously adopted.
- Motion to review and make budget cuts to reduce costs made by David Edmonds, Jr, seconded by Donnie Christian, and unanimously adopted.

13. Old Business to Discuss:

None

14. Matters presented by the Board:

None

15. Motion made by Chris Dye, seconded by Clifford Hess and duly approved by the Board of Directors to enter into (closed) executive session pursuant to Section 2.2-3712 (5) of the Code of Virginia to discuss legal matters pursuant to 2.2-3711(A)(7)(8) of the Code of Virginia.
16. Motion made by Donnie Christian, seconded by Clifford Hess, and duly approved by the Board of Directors to return to regular session.

Pursuant to § 2.2-3712(D) of the Code of Virginia 1950, as amended each member of the Board of Directors upon the Roll Call certifies that to the best of their knowledge (I) only public business matters lawfully exempted from the open meeting requirements

under the Virginia Freedom of Information Act and (ii) only such public business matters that were identified in the motion(s) by which the closed meeting was convened were heard, discussed or considered in the meeting by the Board of Directors.

Any member of the Board of Directors who believes that there was a departure from the requirements of clauses (I) and (ii) above shall so state prior to the vote, indicating the substance of the departure that, in his or her judgment, has taken place.

Are there any who believe a departure has taken place? Seeing none, if you agree that the matters heard, discussed or considered during the closed meeting were pursuant only to the motion(s) by which the closed meeting was convened; please signify by saying aye or yes.

Clifford Hess – Yes

Chris Dye – Yes

Cuba Porter – Yes

Joe Huff – Yes

Donnie Christian - Yes

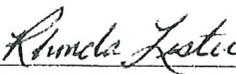
David Edmonds, Jr. – Yes

Carter McGlothlin – Yes

17. Motion to do background check and if a “pass” rating (with no deficiencies) has been received by a peer review, proceed to enter into contract negotiations with Rodefer Moss & Co, PLLC for Professional Auditing Services and to table Award of Contract for Professional Auditing Services until the next scheduled board meeting made by Donnie Christian, seconded by Clifford Hess, and unanimously adopted.

18. There being no further business to come before the meeting, a motion to adjourn at 7:48 PM was made by Donnie Christian, seconded by Clifford Hess, and duly approved by the Board of Directors. The next meeting is scheduled for July 21, 2020 at 6:00 PM.

Dated in the Commonwealth of Virginia on  
the 23<sup>rd</sup> day of June 2020.

  
\_\_\_\_\_  
(Signature)

Secretary Name: Rhonda Lester

# Resolution

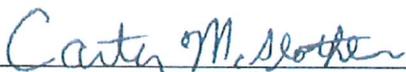
## Preliminary Schedule for Rates, Fees and Charges

WHEREAS, pursuant to Virginia Code § 15.2-5136, The Russell County Public Service Authority wishes to establish water/sewer rates, fees and charges;

NOW, THEREFORE, BE IT RESOLVED that the Russell County Public Service Authority hereby proposes the following rates, fees and charges for customers, as such terms as defined by the rules and regulations of the Authority, as hereby adopted and any amendments thereto:

Russell County PSA Rate Structure - 2020 to 2024						
Rate Description	July 2020	July 2021	July 2022	July 2023	July 2024	
Residential Base Rate Water (2,000 gals)	\$31.25	\$31.25	\$31.50	\$31.75	\$32.00	
Residential Overage Rate Water (per 1,000 gals)	\$12.00	\$12.00	\$14.00	\$16.00	\$17.50	
Residential Base Rate Water/Sewer (2,000 gals)	\$62.50	\$62.50	\$63.00	\$63.50	\$64.00	
Residential Overage Rate Water/Sewer (per 1,000 gals)	\$12.00	\$12.00	\$14.00	\$16.00	\$17.50	
Residential Sewer Only	\$31.25	\$31.25	\$31.50	\$31.75	\$32.00	
Commercial Base Rate Water (2,000 gals)	\$47.25	\$47.25	\$47.50	\$47.75	\$48.00	
Commercial Overage Rate Water (per 1,000 gals)	\$16.00	\$16.00	\$17.00	\$18.00	\$18.50	
Commercial Base Rate Water/Sewer (2,000 gals)	\$94.50	\$94.50	\$95.00	\$95.50	\$96.00	
Commercial Overage Rate Water/Sewer (per 1,000 gals)	\$16.00	\$16.00	\$17.00	\$18.00	\$18.50	
Commercial Sewer Only	\$47.25	\$47.25	\$47.50	\$47.75	\$48.00	
Water Deposit (Rental Property)	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Water & Sewer Deposit (Rental Property)	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Sewer Deposit (Rental Property)	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	
Transfer/Connection Fee	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	
Reconnection for Nonpayment Fee	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	
Late Fee	10% of Amount Owed					
Return Check Fee	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	
Service Charge (First Work Order Courtesy/Annually)	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	
Transmitter Replacement Fee	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	
Tampering Fee	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	
Virginia Assessment Fee/Annual	\$2.95	\$2.95	\$2.95	\$2.95	\$2.95	
New Meter Installation	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	
New Meter Installation w/ Road Bore	\$1,450.00	\$1,450.00	\$1,450.00	\$1,450.00	\$1,450.00	
Adjustments:						
(2) Water/Sewer Adjustments Annually (\$4.00/1000 + Base Rate)						
(1) Pool Adjustment Annually (\$4.00/1000)						
Must notify office before filling pool						

ADOPTED this 23<sup>rd</sup> day of June 2020.

  
 Carter McGlothlin, Chairman  
 The Russell County Public Service Authority

ATTEST:

  
 Harvey Hart, Director

CUMBERLAND PLATEAU RWMA:

Mr. Toby F. Edwards, Executive Director

BUCHANAN COUNTY:

Mr. Earl Rife  
Mr. Jeff Cooper



DICKENSON COUNTY:

Mr. Damon Rasnick  
Mr. Ronald Peters

RUSSELL COUNTY:

Mr. Carl Rhea  
Mr. Tim Lovelace

## Agenda

I. June 18, 2020 CPRWMA Board of Directors Roll Call for Quorum.

II. a) Approval of Minutes of the May 21, 2020 meeting.....1

Motion: \_\_\_\_\_ Seconded: \_\_\_\_\_

### III. Administrative Business

- a) Review CPRWMA Waste Stream Report March and April .....7
- b) Approval of the Treasurer's Report for the month of May 2020.....16
- c) CPRWMA Attorney's Report for May 2020.....Report
- d) Litter and Recycling Report.....

### IV. Old Business

- a) Users Agreement with the Member Counties.....

Motion: \_\_\_\_\_ Seconded: \_\_\_\_\_

### V. New Business

- a) Treasurer Position (vacant).

Motion: \_\_\_\_\_ Seconded: \_\_\_\_\_

### VI. Correspondence

- a) VA DEQ 2020 Transfer Station Inspections..... White

### VII. Adjournment and Next Meeting.

Chair or Vice Chair conducting the meeting: \_\_\_\_\_

Motion: \_\_\_\_\_ Seconded: \_\_\_\_\_

Minutes submitted by: Tim Lovelace and Saundra Honaker  
 137 Highland Drive / P. O. Box 388 / Lebanon, VA 24266  
 Phone 276-833-5403 Email tobyedwards@bvu.net  
 www.cprwma.com



CUMBERLAND PLATEAU RWMA:

Mr. Toby F. Edwards, Executive Director

BUCHANAN COUNTY:

Mr. Earl Rife  
Mr. Jeff Cooper



DICKENSON COUNTY:

Mr. Damon Fasnick  
Mr. Ronald Peters

RUSSELL COUNTY:

Mr. Carl Rhea  
Mr. Tim Lovelace

Cumberland Plateau Regional Waste Management Authority  
Monthly Board Meeting Minutes  
May 21, 2020

Members Present:

Damon Rasnick, Chairman  
Earl Rife  
Tim Lovelace  
Carl Rhea  
Ronald E Peters  
Jeff Cooper

Others Present:

Toby Edwards, Director  
R.J. Thornbury, Legal Counsel  
Saundra Honaker, Finance Officer  
Barbara Rife

CALL TO ORDER: Chairman, Damon Rasnick, called the May 21, 2020, meeting of the Board of Directors to order at 11:13 AM. The meeting was held in Lebanon, VA at Russell County Government Center.

QUORUM: A quorum was established, and it was noted that we are within the 10-person limit and social distancing of 6 feet according to state guidelines because of the coronavirus. It was mentioned that the board needs to have a roll-call vote because of Covid virus. Rebecca will get clarification on this and update at next meeting. A motion was made by Carl Rhea and seconded by Earl Rife to have a roll-call vote on each motion. Motion was ratified, and roll call vote as follows:

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

AMENDMENTS TO AGENDA

The following changes were made as follows:

- (1) Move DEQ correspondence to end of Administrative Business
- (2) Add under ~~the~~ business: Revisit the issue of recording equipment

137 Highland Drive / P. O. Box 386 Lebanon, VA 24266  
Phone 276-833-5403 Email tobyedwards@bvü.net

[www.cprwma.com](http://www.cprwma.com)



Cumberland Plateau Regional Waste Management Authority  
Monthly Board Meeting Minutes  
May 21, 2020

Page 2

A motion was made by Carl Rhea to approve the changes to the Agenda and seconded by Earl Rife. Motion was ratified, roll call vote as follows

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

APPROVAL OF MINUTES: The minutes of the March 19th, 2020 monthly Board Meeting of the Board of Directors were presented for consideration. Three corrections were made as follows: (1) correct “bi-laws” to “by-laws” on page 2 (2) Correct “vote” to “poll” on page 2 (3) To add to motion on recording equipment on page 5 to say “maintain official records.” A motion was made by Tim Lovelace to approve the minutes with corrections and seconded by Earl Rife. Motion was ratified, roll call vote as follows

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

APPROVAL OF STRAW POLL ON PAYING BILLS DATED APRIL 16, 2020 It was requested that the tire disposal and disposal/hauling be split into each county on the report. Large amount is being spent on IT because of the update to the computer system. Those fees should dissipate beginning this month. Motion was made by Ron Peters and seconded to approve the bills dated April 16<sup>th</sup>. Motion was ratified, and a roll call vote as follows:

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

APPROVAL OF STRAW POLL ON APRIL BOARD STIPEND DATED APRIL 21<sup>ST</sup>

Some discussion was given to paying the stipend for the month of April because there was not a board meeting. Some concern was made that the by-laws state that the board members MUST attend the meeting to get paid – no exceptions. Rebecca stated that there is not any precedence on rules during the Covid virus. She will research and let the board know.

Motion was made by Earl Rife and seconded by Tim Lovelace to pay the board for the month of April. Motion was ratified and roll call vote as follows:

Damon Rasnick – Aye

Carl Rhea – Aye

Earl Rife – Aye

Jeff Cooper – Aye

Ron Peters – No

Tim Lovelace – Aye

APPROVAL OF STRAW POLL ON USERS AGREEMENT DATED APRIL 30<sup>TH</sup>

This discussion was tabled because Dickenson and Russell still have some changes they are considering. There was a lengthy discussion as to some of the concerns. Toby stated that most waste authorities charge a flat fee per ton that goes across the scales. This is the only board that gets their funding from a flat fee from the counties and the counties receive the money from the price per ton. The average cost per ton is \$42.00. If this board had charged the counties based on that rate, it would have cost them an additional \$900,000.00. Not ready to vote on this yet.

ADMINISTRATIVE BUSINESS

WASTE STREAM REPORTS – MARCH & APRIL Toby Edwards commented that all three counties have increased tonnage because on everyone cleaning while staying home during this pandemic. He also mentioned that the stations need to be careful of placing tires in regular collection. The disposal charges \$25 per tire extra when they are included. Toby informed the board that PPE equipment has been provided to all stations. Motion made by Ron Peters and seconded by Tim Lovelace to approve Waste Stream Reports for March and April. Motion was ratified, roll call vote as follows:

Damon Rasnick – Aye

Carl Rhea – Aye

Earl Rife – Aye

Jeff Cooper – Aye

Ron Peters – Aye

Tim Lovelace – Aye

TREASURER'S REPORT: Earl Rife presented the CPRWMA Treasurer's Report for the month of March & April 2020, reporting the total in the bank was \$538,686.94 at the end of March and \$463,624.26 at the end of April. Clarification was made on refund from Ferrell Gas and interest received. A motion was made by Earl Rife to approve the finance report as presented and seconded by Carl Rhea. Motion was ratified, roll call vote as follows:

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

ATTORNEY'S REPORT: Rebecca Thornbury stated that she would work on corrections to user agreement. A question was presented about conducting video (Zoom) meetings. Rebecca stated that there were strict guidelines about how to conduct video meetings and that she would provide that information to the board.

LITTER AND RECYCLING REPORT

CORRESPONDENCE – VA DEQ 2019 REGIONAL RECYCLING RATE REPORT

Household hazardous waste collection has been postponed until August. Toby stated that the recycling rate was 25% but is now 15%. We were at 18.7% for the current year but we may have trouble meeting in future. Tim Lovelace stated that he would work on getting information on Russell County's amount for electronic recycling.

Meeting was recessed at 12:15 PM and reconvened at 12:29 PM.

OLD BUSINESS

USER AGREEMENTS WITH THE MEMBER COUNTIES  
discussed and tabled earlier in the meeting.

This had been

2020-2021 BUDGET REVISITED Toby presented that the counties had some concern about the increase in the budget from this year to next year that the board had previously approved. He reviewed the changes that had been made to decrease the proposed budget for 2020-21. With the changes, the

monthly rate would decrease \$49.72 from the 2019-20 budget for a total monthly charge of \$12,561.39 per month. Motion was made by Ron Peters and seconded by Tim Lovelace to approve the revised budget as presented. Motion was ratified, roll call vote as follows:

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – Aye

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

It was further stated that each monthly finance reports would be sent to each county administrator, legal department, and Cumberland Plateau.

RECORDING EQUIPMENT There was some concern given about recording the meetings. Motion was made by Earl Rife and seconded by Carl Rhea not to electronically record meetings. Motion was ratified, and roll call vote as follows:

Damon Rasnick – Aye  
Earl Rife – Aye  
Ron Peters – No

Carl Rhea – Aye  
Jeff Cooper – Aye  
Tim Lovelace – Aye

Damon Rasnick appointed Tim Lovelace as the official board Secretary/Minute taker.

Additionally, Damon Rasnick appointed a Budget Oversight Committee made up of Jeff Cooper, Tim Lovelace and Ron Peters.

A sharing committee was discussed.

#### NEW BUSINESS

Toby Edwards presented the board with the Authority's annual Insurance proposal from VACORP. Toby informed the board that the cost was \$15,010 for all three facilities and coverages. He indicated that increase is a normal adjustment. Motion by Earl Rife to pay our insurance and authorize Toby to sign the approval cover sheet, seconded by Carl Rhea. Motion Ratified. Roll Call Vote as follows.

Damon Rasnick – Aye

Carl Rhea – Aye





P.O Box 1208  
137 Highland Drive  
Lebanon, VA 24266

Office: 276-889-8000  
Cell: 276-254-0014  
Email: heather.powers@russellcountyva.us

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## Russell County Tourism

### **June highlights:**

- Participated in Virginia Tourism Authority conference calls.
- Continued to advocate for travel industry relief due to COVID-19 impacts with support letters to local legislatures.
- Continued to work on Virginia Tourism Corporation “We’ll Be Waiting for You” campaign.
- Made social media posts on Experience Russell County facebook page regarding openings, event changes and other tourism related content.
- Set up ads for Experience Russell County facebook that will advertise us on a national level.
- Participated in Clinch River Valley Initiative steering committee meeting and public meeting held on Facebook live.
- Continued work on tourism brochure and met with brochure committee.
- Met with Heart of Appalachia Director David Woodard and County Administrator.
- Completed and submitted grant request to Virginia Tourism Corporation for recovery marketing funds.
- Promoted 2020 Virginia Vistas Photo Contest.
- Russell County Tourism Advisory Committee meeting held June 23:

#### Highlights:

- Recognized Shiloh Lyttle, graduate of Castlewood High School, for being the tourism scholarship recipient. Andrea Cantrell, World’s Miss Tourism Grand Supreme Teen 2020 was in attendance to present the recognition letter.
- Reviewed new county tourism brochure draft.
- Changed regular meeting time to the third Thursday at 6:30 p.m.
- Discussed art gallery idea to be displayed in the government center.
- Presented Heart of Appalachia report to the committee.
- Group discussed fundraising ideas.

<b>RUSSELL COUNTY SITE TONNAGE REPORT FOR 2020</b>															
	<b>JAN</b>	<b>FEB</b>	<b>MARCH</b>	<b>APRIL</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>	<b>Month Avg</b>	<b>%</b>
<b>LEBANON</b>	121.37	119.25	166.82	177.61	166.55	161.45							913.05	152.18	15.71%
<b>RADIO STATION</b>	53.01	50.78	51.06	88.91	91.71	82.23							417.70	69.62	7.19%
<b>HAMLIN</b>	65.15	64.78	132.81	157.45	135.04	155.75							710.98	118.50	12.23%
<b>MOCASSIN</b>	48.59	42.02	51.31	53.25	51.94	47.01							294.12	49.02	5.06%
<b>DOGTOWN</b>	60.37	73.68	78.48	111.22	85.61	90.36							499.72	83.29	8.60%
<b>BELFAST</b>	93.39	51.04	92.85	106.55	115.92	115.71							575.46	95.91	9.90%
<b>BLACKFORD</b>	48.27	28.95	54.20	81.83	59.57	62.43							335.25	55.88	5.77%
<b>CARBO</b>	40.48	40.33	90.01	102.68	105.82	103.46							482.78	80.46	8.31%
<b>FLATROCK</b>	100.27	79.90	127.85	177.20	168.09	166.25							819.56	136.59	14.10%
<b>FINNEY</b>	32.97	29.05	34.18	35.26	37.27	34.74							203.47	33.91	3.50%
<b>SWORDSCREEK</b>	73.47	57.73	94.08	116.05	102.34	115.49							559.16	93.19	9.62%
<b>Total Tons</b>	<b>737.34</b>	<b>637.51</b>	<b>973.65</b>	<b>1208.01</b>	<b>1119.86</b>	<b>1134.88</b>							<b>5811.25</b>	<b>968.54</b>	
<b>2019 Tons</b>	<b>752.92</b>	<b>661.84</b>	<b>740.69</b>	<b>856.36</b>	<b>841.97</b>	<b>779.48</b>	<b>882.57</b>	<b>774.21</b>	<b>733.39</b>	<b>801.41</b>	<b>649.21</b>	<b>815.94</b>	<b>9289.99</b>	<b>774.17</b>	
<b>2018 Tons</b>	<b>684.04</b>	<b>622.46</b>	<b>730.93</b>	<b>789.20</b>	<b>865.32</b>	<b>783.50</b>	<b>811.93</b>	<b>851.50</b>	<b>703.08</b>	<b>785.71</b>	<b>758.04</b>	<b>688.06</b>	<b>9073.77</b>	<b>756.15</b>	
<b>2017 Tons</b>	<b>656.45</b>	<b>616.84</b>	<b>740.53</b>	<b>682.00</b>	<b>836.71</b>	<b>789.31</b>	<b>755.54</b>	<b>812.25</b>	<b>714.43</b>	<b>714.43</b>	<b>722.52</b>	<b>649.91</b>	<b>8690.92</b>	<b>724.24</b>	
<b>2016 Tons</b>	<b>606.64</b>	<b>690.79</b>	<b>871.51</b>	<b>789.44</b>	<b>826.49</b>	<b>821.73</b>	<b>716.31</b>	<b>839.51</b>	<b>714.30</b>	<b>755.01</b>	<b>639.35</b>	<b>747.31</b>	<b>9018.39</b>	<b>751.53</b>	
<b>2015 Tons</b>	<b>671.00</b>	<b>546.05</b>	<b>875.74</b>	<b>915.91</b>	<b>868.90</b>	<b>833.09</b>	<b>970.82</b>	<b>839.73</b>	<b>835.15</b>	<b>729.42</b>	<b>694.49</b>	<b>850.12</b>	<b>9630.42</b>	<b>802.54</b>	

<b>RUSSELL COUNTY SITE TONNAGE REPORT FOR 2019</b>															
	<b>JAN</b>	<b>FEB</b>	<b>MARCH</b>	<b>APRIL</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>	<b>Month Avg</b>	<b>%</b>
<b>LEBANON</b>	123.54	98.42	104.47	116.76	125.60	116.55	136.64	119.78	108.35	105.24	100.34	136.04	1391.73	115.98	14.98%
<b>RADIO STATION</b>	71.46	55.21	63.18	80.36	57.63	58.03	79.02	61.01	69.80	69.32	61.07	67.29	793.38	66.12	8.54%
<b>HAMLIN</b>	69.62	57.17	85.71	75.02	71.78	74.35	83.26	70.64	69.62	77.61	69.91	83.68	888.37	74.03	9.56%
<b>MOCASSIN</b>	37.02	38.32	37.27	50.89	48.45	44.26	53.15	47.37	48.44	48.60	36.95	48.20	538.92	44.91	5.80%
<b>DOGTOWN</b>	78.18	63.23	64.27	68.57	82.71	72.22	74.45	77.84	61.02	77.16	57.99	70.01	847.65	70.64	9.12%
<b>BELFAST</b>	89.43	73.70	97.42	97.37	93.71	95.41	97.79	88.75	78.62	93.61	83.55	93.23	1082.59	90.22	11.65%
<b>BLACKFORD</b>	60.22	43.91	42.65	48.12	59.76	49.07	53.49	46.34	49.89	58.80	35.03	44.84	592.12	49.34	6.37%
<b>CARBO</b>	44.31	44.20	45.31	59.25	56.89	58.90	56.67	44.24	52.97	50.38	42.56	52.09	607.77	50.65	6.54%
<b>FLATROCK</b>	84.11	92.06	111.59	113.72	123.94	101.46	119.28	91.53	90.01	94.99	78.80	99.93	1201.42	100.12	12.93%
<b>FINNEY</b>	27.90	23.04	24.39	38.26	34.21	28.99	30.02	35.49	27.76	38.28	23.03	33.11	364.48	30.37	3.92%
<b>SWORDSCREEK</b>	67.13	72.58	64.43	108.04	87.29	80.24	98.80	91.22	76.91	87.42	59.98	87.52	981.56	81.80	10.57%
<b>Total Tons</b>	<b>752.92</b>	<b>661.84</b>	<b>740.69</b>	<b>856.36</b>	<b>841.97</b>	<b>779.48</b>	<b>882.57</b>	<b>774.21</b>	<b>733.39</b>	<b>801.41</b>	<b>649.21</b>	<b>815.94</b>	<b>9289.99</b>	<b>774.17</b>	
<b>2018 Tons</b>	<b>684.04</b>	<b>622.46</b>	<b>730.93</b>	<b>789.20</b>	<b>865.32</b>	<b>783.50</b>	<b>811.93</b>	<b>851.50</b>	<b>703.08</b>	<b>785.71</b>	<b>758.04</b>	<b>688.06</b>	<b>9073.77</b>	<b>756.15</b>	
<b>2017 Tons</b>	<b>656.45</b>	<b>616.84</b>	<b>740.53</b>	<b>682.00</b>	<b>836.71</b>	<b>789.31</b>	<b>755.54</b>	<b>812.25</b>	<b>714.43</b>	<b>714.43</b>	<b>722.52</b>	<b>649.91</b>	<b>8690.92</b>	<b>724.24</b>	
<b>2016 Tons</b>	<b>606.64</b>	<b>690.79</b>	<b>871.51</b>	<b>789.44</b>	<b>826.49</b>	<b>821.73</b>	<b>716.31</b>	<b>839.51</b>	<b>714.30</b>	<b>755.01</b>	<b>639.35</b>	<b>747.31</b>	<b>9018.39</b>	<b>751.53</b>	
<b>2015 Tons</b>	<b>671.00</b>	<b>546.05</b>	<b>875.74</b>	<b>915.91</b>	<b>868.90</b>	<b>833.09</b>	<b>970.82</b>	<b>839.73</b>	<b>835.15</b>	<b>729.42</b>	<b>694.49</b>	<b>850.12</b>	<b>9630.42</b>	<b>802.54</b>	