

At the regular meeting of the Nelson County Service Authority held on May 16, 2019 at the Nelson County Service Authority, Administrative Building thereof:

Present: Gary L. Sherwood, Vice-Chairman
Jesse Rutherford
Justin Shimp
George Miller, Executive Director
Jennifer Fitzgerald, Secretary/Treasurer

Absent: David Hight, Chairman
Ernie Reed
Jim Bowling, Attorney

AGENDA ITEM 1. APPROVAL OF MINUTES

On a motion duly made by Mr. Rutherford, seconded by Mr. Shimp, with Mr. Rutherford voting yes, Mr. Shimp abstaining and Mr. Sherwood voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby approve the minutes of the April 18, 2019 regular meeting.

AGENDA ITEM 2. OFFICE MANAGER'S REPORT

Mrs. Fitzgerald presented the Treasurer's Report for April 2019.

Mrs. Fitzgerald reported the Consumer Confidence Reports have been completed and approved by the Virginia Department of Health and have been displayed on our website.

Mrs. Fitzgerald reported that USDA Rural Development has delivered the Letter of Conditions for the Wintergreen WWTP project. One of the conditions is to have a Loan Resolution approved for the \$20.1 million loan.

On a motion duly made by Mr. Shimp, seconded by Mr. Rutherford, with Mr. Shimp voting yes, Mr. Rutherford voting yes and Mr. Sherwood voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby authorize Mr. Miller to sign Loan Resolution RUS Bulletin 1780-27 for the Wintergreen WWTP project.

Mrs. Fitzgerald recognized Ms. Kayla Dooms who was hired in 2017 as an Operator Trainee and has now received her Waterworks Class III operators license.

AGENDA ITEM 3. EXECUTIVE DIRECTOR'S REPORT

Mr. Miller reported the existing Wintergreen 6" line and 8" force main both have been located. Bowman is in the design phase currently. Ductile Iron pipe will be installed for both the water and sewer line, with the sewer line having a special coating. The project is estimated to begin November 1st and end by March 30, 2020.

Mr. Miller reported rerating the design flow for the Gladstone STP has been suggested to DEQ to take place when the next permit is to be issued June 30, 2022.

AGENDA ITEM 4. DIRECTOR'S COMMENTS

Mr. Rutherford inquired about how the Water Wise program went at Rockfish Elementary school. Mr. Sherwood stated both him and Mr. Reed participated in the presentation and that the students asked good questions.

Mr. Rutherford stated he had received calls from customers in the Lovington and Schuyler areas about the proposed rate increase.

AGENDA ITEM 5. PUBLIC COMMENTS

Mr. McSwain suggested now that the Board of Supervisors are suggested getting rite of the Piney River system the Service Authority should come up with a list of the unknowns about the Piney River system and the difference in the rate structure. He suggested that in negotiations the agreement about the connection fees going back to the County be taken out. Mr. Miller stated Phase II pumping station is in need of replacing and the water and sewer rates are half of the Service Authority rates.

AGENDA ITEM 6. ADJOURNMENT

On a motion duly made by Mr. Rutherford, seconded by Mr. Shimp, with Mr. Rutherford voting yes, Mr. Shimp voting yes and Mr. Sherwood voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby adjourn this meeting until June 20, 2019.

Prepared by:

 _____

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE _____ Board of Directors

OF THE _____ Nelson County Service Authority

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

_____ Wintergreen Sewer Improvements

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____ Nelson County Service Authority

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

_____ Twenty Million One Hundred Thousand & 00/100

pursuant to the provisions of _____ Title 15.1 Code of Virginia as amended _____; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0

under the terms offered by the Government; that the Executive Director

and Secretary/Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 3 Nays 0 Absent 2

IN WITNESS WHEREOF, the Board of Directors of the

Nelson County Service Authority

has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this Thursday, 16th day of May 2019.

Nelson County Service Authority

(SEAL)

By

[Signature]

Title

Executive Director

Attest:

[Signature]

Title Secretary/Clerk