1. Call the Meeting to Order - Chairman

The Regular Meeting of the Washington County Service Authority Board of Commissioners, held in the E. W. Potts, Jr. Board Room located at 25122 Regal Drive, Abingdon, Virginia, was called to order by the Vice Chairman at 5:59 pm.

2. Roll Call - Chairman

Commissioners Present:

Mr. Dwain Miller, Chairman

Mr. Kenneth Taylor, Vice Chairman

Mr. Wayne Campbell

Mr. Jim McCall

Mr. Tim Orfield

Mr. Mike White

Commissioners Absent:

Mr. Vernon Smith

WCSA Officers Present:

Robbie Cornett; Secretary, General Manager Melinda Jett; Treasurer, Controller Carol Ann Shaffer; Assistant Secretary, Administrative Assistant

General Counsel Present:

Thomas Dene, Esq.; Dene & Dene, P.C.

Consultants Present:

Dennis Amos, PE; Hurt & Proffitt, Inc. Bobby Lane, PE; The Lane Group, Inc. Kevin Heath, PE; The Lane Group, Inc.

WCSA Staff Present:

Dave Cheek PE; Operations Manager
Holly Edwards; Customer Service
Bobby Gobble; Assistant Maintenance
Manager
Ryan Kiser, PE; Engineering Manager
Randall Mitchell; Maintenance Planner
Karen Miller; Senior Customer Service
Representative
Mark Osborne; Distribution Manager
Ken Perrigan; Meter Manager

3. Prayer and Pledge of Allegiance – Wayne Campbell

Mr. Campbell opened the meeting in prayer and led the Pledge of Allegiance.

4. Approval of the Agenda - Chairman

Mr. Cornett recommended striking Agenda Item 14.

Mr. Taylor motioned to approve the Agenda; Mr. Campbell seconded and the Board approved voting 5-0-1-1. Mr. McCall abstained for the vote as he is employed by King General Contractors.

5. Public Query and Comment - Chairman

Richard Hall of Green Springs owns property on Azure Lane in Abingdon and addressed the Board asking for an update on the Azure Lane project (Galvanized Line Phase 3 project).

All the easements for the project have been acquired. WCSA is working on punch list items for the funding agency. Mr. Kiser expects to advertise the project for Bid late December or Early January.

6. Approval of the Consent Agenda with Exceptions - Chairman

A. Approval of Minutes:

- October 11, 2018 Dispute Committee Meeting Minutes
- October 22, 2018 Regular Meeting Minutes
- B. Routine Reports: October 2018
- Water Production
- Water Distribution
- Meter Department
- Wastewater Operations
- Customer Service
- Maintenance
- Engineering
- Accounting
- Health & Safety Report

- C. Financial Reports: October 2018
- Balance Sheet
- Income Statement
- Check Register / General Manager Financial Report; Excluding Check # 041821 – Mountain Materials
- D. Consideration of General Manager's Statewide Governor's Infrastructure Financing Conference at The Hotel Roanoke and Conference Center, Roanoke, Virginia Conference Attendance Robbie Cornett
- E. Consideration of Amendment No. 2 to the Engineering Agreement for Exit 13 Phase 3 Sewer Project Dennis Amos
- F. Consideration of Change Order No. 3 for the Exit 13 Phase 3 Sewer Project - *Dennis* Amos
- G. Consideration of Ratifying an Agreement between WCSA and Utility Meter Solutions for an Advanced Metering Program - Dave Cheek

Mr. White motioned to approve the Consent Agenda. Mr. Campbell seconded and the motion carried with a vote of 6-0-0-1.

7. Consideration of Check Number 041821 to Mountain Materials for \$457.80 – Chairman

Mr. McCall made the motion to approve check number 041821. Mr. Campbell seconded and the Board approved voting 5-0-1-1. Mr. Taylor abstained due to his affiliation with Mountain Materials.

8. Legal Counsel Report and Update – Thomas Dene

Mr. Dene had had nothing to report.

9. Operations Manager's Report and Update – Dave Cheek/ Randall Mitchell
An outline of the report presented by Mr. Cheek and Mr. Mitchell is attached.

10. Administration Report - Melinda Jett and Robbie Cornett

An outline of the report Mrs. Jett and Mr. Cornett reviewed is attached.

11. Water and Wastewater Construction Projects Update – Ryan Kiser

Mr. Kiser reviewed the attached presentation.

12. Engineer's Report & Update Hurt & Proffitt – Dennis Amos

• Exit 13 Phase 3 Sewer Design

The Lane Group - Kevin Heath

- Water Intake Permit Modification for South Fork and Middle Fork Intakes
- Mill Creek Water System Improvements Galvanized Waterline Replacement Project – Phase III
- Abingdon Tank Improvements
 Project
- Lee Highway Corridor Sewer Project
 Phase 1 Study
- Route 58 Water Supply Improvements Project

13. Consideration of a Bonus and Luncheon for WCSA Employees – Robbie Cornett

Mr. Cornett offered information regarding WCSA's past bonuses and those of other neighboring utilities.

Mr. Campbell motioned to approve the employee bonus and luncheon. Mr. White seconded and the Board approved with a unanimous vote.

14. Consideration of the Route 58 Water Supply Improvements Project Contract 1 Change Order No. 4 – Kevin Heath

This item was stricken from the Agenda.

15. Consideration of Dispute Committee Alternate or Replacement - Chairman

Mr. Cornett asked if the Board may wish to appoint an alternate member or a replace a member of the Dispute Committee.

Mr. Taylor agreed to serve on the Dispute Committee with Mr. McCall. Mr. Campbell agreed to be the alternate.

Mr. White made the motion to approve, Mr. McCall second. The motion carried with a 6-0-0-1 vote

16. Consideration of Rural Development Loan Resolutions and Resolutions of the Governing Body for the Galvanized Line Phase 3 Water Project - Melinda Jett

After Mrs. Jett's review of the resolutions, she recommended the Board favorably consider the Loan Resolution and the "Resolution of Governing Body".

The motion to approve the resolutions as recommended was made by Mr. McCall, seconded by Mr. Orfield and was approved with a 6-0-0-1 Board Vote.

17. Consideration of General Service Agreements with McGill Associates, CHA, Thompson and Litton, Bennett, and Whitman Requardt and Associates - Rvan Kiser

Mr. Kiser discussed the need and intent for the General Services Agreement. Mr. Kiser recommended the Board approve the Agreement.

Mr. Campbell made a motion to adopt the General Services Agreement, Mr. Orfield seconded and the Board unanimously approved voting 6-0-0-1.

Mr. Taylor then motioned to authorize staff to utilize the Agreement with future engineering firms. Mr. Campbell seconded and the Board approved voting 6-0-0-1.

18. Closed Meeting -7:40 pm

Mr. Campbell moved that Board of Commissioners of the WCSA adjourn to

Closed Meeting in accordance with the Virginia Freedom of Information Act, Code of Virginia Section 2.2-3711
Paragraph (A) (7): Actual Litigation:

1. Consultation with legal counsel and briefings by staff members pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the WCSA, specifically involving the case of Washington County Service Authority v. Bundy, currently pending in the Circuit Court of Washington County, Virginia.

Code of Virginia Section 2.2-3711 Paragraph (A) (7): Probable Litigation:

2. Consultation with legal counsel and briefings with staff members or consultants pertaining to probable litigation, on which the WCSA Board of Commissioners or its legal counsel has a reasonable basis to believe will be commenced by or against a known party, where such consultation or briefing in open meeting would adversely affect the negotiating or litigation posture of the Washington County Service Authority.

In addition to the Board the presence of Thomas Dene, WCSA General Counsel, and Robbie Cornett, WCSA General Manager, were requested.

Mr. Taylor seconded and the Board approved voting 6-0-0-1.

19. Return to Public Meeting - 8:48 pm

Mr. Campbell made a motion to return to Public Session, Mr. Taylor seconded and the Board approved voting 6-0-0-1.

Mr. Campbell then read the following Certification of Closed Meeting:

Whereas, the Board of Commissioners of the Washington County Service Authority has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act;

And Whereas, Section 2.2-3712 Paragraph D of the Code of Virginia requires a certification by this Authority that such Closed Meeting was conducted in conformity with Virginia law;

And Now, therefore, be it resolved that the Committee of Board of Commissioners of the Washington County Service Authority hereby certifies that to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Board.

Aye by Mr. White, Mr. Campbell, Mr. Taylor, Mr. Miller, Mr. McCall and Mr. Orfield confirming no outside discussion took place other than Closed Meeting topics.

20. Late Items

There were no late items discussed.

21. Adjourn - 8:50 pm

Mr. Taylor made the motion to adjourn, Mr. McCall seconded and the Board approved voting 6-0-0-1.

Mr. Dwain Miller, Chairman

Carol Ann Shaffer, Assistant Secretary

October 2018 Operational Update

November 26, 2018

2 Discussion Items

- ▶ People
- ▶ Safety
- ▶ Department Highlights
- ▶ Forward Looking Statement

3 Safety

- ▶ Working with VML (Eddie Shelton)
 - Confined Space Program and Training
 - Lock Out Tag Out Program and Training
 - · OSHA
 - OSHA at a Glance Training at WCSA, Dec 20, 2018 (Try for Most Employees)
 - · Advanced OSHA Certification Training in early 2019 for Supervisory Emp.

4 2018 October Water Production Highlights

- ▶ SFI, MFDWP & Mill Creek Issue Resolution
 - · Mill Creek Plant Replacement
 - · Evoqua Plant: Both Skid Producing Water,
 - · Working with TLG on Open Process Items
 - · Contractor Targeting Oct 31 to be complete and off site
 - · Did not make it, still on site but making progress on:
 - CIP Piping This Week
 - Electrical Inspection This Week
 - · Controls
 - Meeting with TLG & TOC on Substantial Completion Wednesday, Nov 28, 2018
- ▶ System Operation
 - Water Quality
 - · Brumley Gap Area, Systematic Approach Definite Improvement

2018 October Wastewater Process Highlights

₽I&I

- Team Approach with Maintenance
 - With wet October and November seeing I&I Hot Spots, Exit 13
- ▶ Operational
 - Utilizing Bio-Block at Damascus with good results on Grease
 - Very Stable Operational Results at both Hall Creek and Damascus
 - · After Hours Alarms causing excessive Overtime, Addressing based on Pareto

▶ Capital

- Scoping Equipment needs for Hall Creek Headworks
- · Initial Meeting with Bennett
- · Scoping Process to Retrofit Damascus Plant to extend useful life

6 2018 October Wastewater Headworks Process (Task Order)

▶ 1) Engineer Reviews the Process

- ▶ 2) Engineer Brainstorms with WCSA Operators on Critical to Quality (CTQ) Items
- ▶ 3) Engineer reviews with WCSA
- ▶ 4) Engineer Prepares Bid Documents
- ▶5) WCSA Bids
- ▶6) WCSA Provides Project Management & Inspection
- ▶7) Engineer Provides QA/QC Documents
- ▶8) Engineer Audits WCSA for QA/QC Compliance

7 2018 October Distribution Highlights

- ▶ Providing Technical Support to SFI (Pump Replacement) and MFDWP Issues
- ▶ Continued with Inspections of Cross Connections and Back Flow Prevention
- ▶ Recall we are systematically approaching water losses, Non Revenue Water, NRW
- ▶ Scheduling AWWA Water Audit in Near Future
- ▶ Rte 91 Road Crossing Water Line Repair
- ▶ Vault (PRV/flowmeter) at MFDWP

8 2018 October Metering Highlights

- ▶ Meter Replacement, Very Large Project
- ▶ Ready to Sign contract with UMS
- · Ken said it is about time

9 2018 October Water Maintenance Highlights

- ▶ Department Management
 - · Really utilizing Planner to Maintain Assets
 - · Engaging Crew Chiefs in Coverage
- ▶ Routine Activities
 - Leaks 30 (2015 Avg. 30)
 - Main Line Breaks 3 (2015 Avg. 6)
 - After Hours Responses 45 (2015 Avg. 38) (See Overtime)
 - · After Hours Responses a Target Area for Improvement

▶ Costs

- Preventive Maintenance
 - · Mobile Equipment
 - Tanks
 - Pump Stations
 - · Fire Hydrants

2018 October Water Maintenance Planner Activities

The WCSA Board of Commissioners approved WCSA converting a position to planner. WCSA advertised both internally and externally for this position. An internal candidate, Randall Mitchell was offered and accepted the position.

Randall is heavily involved with taking more complex jobs and breaking them down into manageable pieces, obtaining approvals, procuring materials and helping the team complete the task.

Randall is focused on WCSA maintaining our assets with minimal costs.

2018 October Water Maintenance Planner Activities

12 Monthly We are Tracking Under Budget

13 Year to Date we are Tracking Under Budget

14 Forward Looking Statement

- ▶ Customer Relationships
 - Fire Departments
 - · Hydrants & Training Well in Progress
 - Water & Sewer Customers
 - More Customer Engagement at Time of Contact
 - Door Hangers
- **▶** Quality
 - System Pressure/Flow Variations as Detected During Hydrant Stress Tests

▶ Costs

- Production Costs (Water Loss and I&I)
- Continue to work with all Departments to reduce Non Revenue Activities (NRA)
- Hydrants as a Device to "Stress Test" our Water Delivery System to identify Problems Early
- Construct Hydraulic Grade lines in our GIS to aid in Troubleshooting and Early Detection
- Work with Engineering/Operations on How to Work Together to Obtain the Most Value in our Construction Projects

1 Administration Report and Update

November 26, 2018

2 Introduction

- **▶** Customer Service
- **▶** Administrative
- **▶** Accounting
- Financials
- ▶ Notable Items
- ▶ Looking Ahead

3 Customer Service Update

- ▶ Rules and Regulations -
 - Continuing to review
- Disputes -
 - 1 staff response
 - · 1 committee meeting
- ▶ Home Serve -
 - Number of claims for January October 2018 = 90
 - Number of claims for FY 2019 = 41
- New Connections in October -
 - Water 14 (0 Project)
 - ∘ Sewer 14 (12 Project)

4 Administration Updates

- ▶ Administrative Building Updates
 - · Lobby, Security, Island, Sunshade & Museum
 - · Building: Carpet Research
 - Janitorial Service began service to WCSA's Administrative Office in October
 - · Painting the interior of the building has been completed
- Flu Shot Clinic was offered October 22, 2018
 - Michael's Pharmacy provided the flu shots to WCSA employees and dependents
 - WCSA's insurance through MCA paid for the flu shots as a wellness benefit at no cost to employees/dependents

5 Accounting Department Update

- In September and October, Accounting Staff were involved in the following:
- ▶ Open Enrollment
 - Several meetings were held with employees to ensure understanding of the insurance plans as well as to help with completion of necessary forms
- ▶ Procurement of Goods/Services and the Sale of Surplus Items
- ▶ The Financial Audit was completed by Robinson, Farmer, Cox still waiting on report
- ▶ Meeting and gathering information for Raftellis regarding the Strategic Planning and Rate, Charges, Fee Study
- ▶ The next Board meeting will be on December 17th November financial statements will not be included in the Board Books as the month end financials will not be prepared prior to Board Books being mailed. They will be included in the January Board Books along with the December financial statements.

- 6 Financials: Water Revenue
- 7 Financials: Sewer Revenue
- 8 Financials: Water Expenses
- 9 Sewer Non-Departmental Expenses
- 10 Financials: Combined Water and Sewer Revenue
- 11 Questions/Comments...
- 12 Notables
 - ▶ Water and Wastewater Operators
 - Water: Seven Offers; Two Accepted.
 - · Josh Short and Cody Hawkins
 - · Wastewater: One Offer; One Accepted.
 - · Leroy Sullivan
 - ▶ Personnel Policy Manual Update
 - · Last Comprehensive Updated June 2014
 - Staff Working Through Suggested Edits for Consideration by Legal Counsel Then the Board

13 Notables

- ▶ Lee Highway Corridor Sewer Project
 - · Funded!!!\$9,355,000 Loan and \$9,165,000 Grant
 - TLG to Complete PER December 2018
 - · Finalize Treatment Amendment Soon
 - Consider User Agreements (~100 Existing Customers), Public Information Meetings or Both and Timing
- · Design, Easements, Permits and Advertise
- ▶ Virginia Water Protection Permit 02-1007
 - · Answered DEO's Questions September 20th
 - · DRAFT Permit Prepared for Internal DEO Review
 - · Expecting DRAFT Permit This Year @ 13.21 MGD
 - · Middle Fork: 10% of Flow & 2mm Screen
 - · South Fork: 20% of Flow During Riverine Conditions No Limit During Reservoir
 - · Springs: 100% of Flow

14 Notables

- ▶ Strategic Planning / Rate, Fee & Charges / Financial Planning
 - Core Team Workshop#1 (October 1st)
 - Board Workshop #1 (October 22nd)
 - Employee Surveys (All Employees Invited, November)
 - Employee Focus Groups (Two Groups of 20 Invited, November 15th)
 - Task Force Workshop #1 (November 15th)
- · Core Team Workshop #2 January?
- Board Workshop #2 in January?
- Task Force Workshop #2 in January (@MFDWP)?

15 Notables

- ▶ Middle Fork Drinking Water Plant Tours
- ▶ USDA Rural Development Officials
 - Anna Hazlett, Assistant to the Secretary, Sonny Perdue was among the half dozen or so guests.
- ▶ Holston High School Science Class
- 25 Students

16 Notables

- ▶ Health Insurance Renewal
 - · October 1: Plan Year Start
 - · October 26: TPA Finalized
 - Multiple Reviews Required
 - Thank you to Thomas!
 - Thank you to the Board for Continuing our Health Insurance!
- ▶ Holiday Luncheon (If Approved)
 - Tuesday, December 11th @ the Shop
 - · Begin Eating @ 11:00 AM

17 Looking Ahead

- ▶ Water Quality
- ▶ Water Withdrawal Permit
- ▶ Lee Highway Corridor Sewer Project
- ▶ Meter Replacement & Business Processes
- ▶ Rate & Financial Plan
- ▶ Strategic Plan
- FYE 208 Audit



Water Line Extension Projects

- Rattle Creek Received update from Mount Rogers and it will be first of year before a DHCD contract can be signed.
 WCSA would anticipate advertising the project at that time.
- Rich Valley Road Project Advertised November 18th
 Pre-Bid December 6th
 Bid December 18th
- Sugar Cove Road Staff is finalizing plans to submit to VDH.



Water Line Extension Projects

- <u>Hidden Valley Phase 2</u> WCSA held a bid opening on Nov. 20th.
 - Received 2 bids for the well
 - Barton Well Drilling \$67,549 (low bid)
 - Funk Drilling \$73,275.

In review of bid tabs, associated cost to hit water would be the mobilization, 10" hole for casing, drill full 900'depth and monitoring neighboring well = @\$25,000. For this work @ \$5,000 difference between Barton and Funk.

Expense is with yield and recovery test. There is a lot of unknowns, but dialogue between Barton and staff has been positive to work on pricing during drilling process.



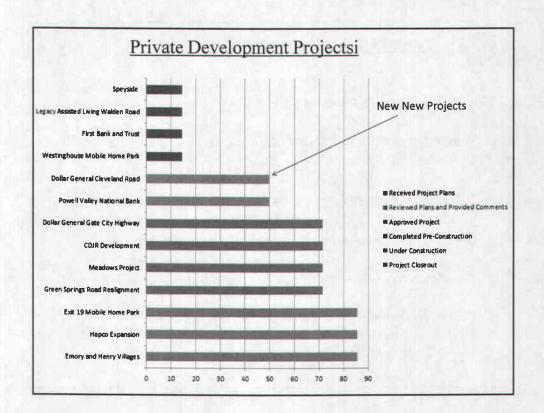
Water Line Extension Projects

Mendota and Archery Range Road/Mary's Chapel
 Road — Staff is working with Hurt and Proffitt on PER revisions for Rural Development.



Wastewater

- Line has been laid for David Bradley sewer relocate at Azalea in Glade Spring.
- Lines and new manhole have passed pressure test.
- Next steps will be to core manholes and complete restoration.





Agenda Item 17

Consideration of Adoption of a Standard Engineering Services Agreement for Professional Services

- Undergo Procurement Process to Request Statement of Qualifications.
- Agreement (typically for 5 years, with option for 4 one-year renewals.
- Professional Services, (Hydraulics, pretreatment, capacity, Fats, Oils and Grease Program, safety, security, etc.) Non construction related.
- Task Order following terms for the Master Agreement (to be reviewed by the board.



Agenda Item 17

Why do we propose a master agreement?

- Makes the contractual terms of the agreement the same for all firms we contract with.
- Provides more control over the agreement (review process).
- Some firms agreements can be very time consuming.
- Insurance requirements the same unless different requirements.
- EJCDC documents are favored by funding agencies.

LOAN RESOLUTION

(Public Bodies)

A RESOLUTION OF THE Board of Commisioners

DETHE Washington 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

water system

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

WHEREAS, it is necessary for the Washington 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

Eight Million Four Hundred Fifty Thousand & 00/100

pursuant to the provisions of VA Public Finance Act

; 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:

- 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.
- 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)).
- 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.
- 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 to 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.

 To provide adequat USDA's concurrent 	e service to all persons within ce prior to refusing new or ad	the service area equate services to	who can feasibly such persons. Up	and legally be soon failure to p	served and to obtain rovide services which
. To comply with the	measures identified in the Go	overnment's envir	ronmental impact	analysis for this	s facility for the pur-
		imental impacts o	of the facility's con	struction or ope	eration.
under the terms off	ered by the Government; that	the Chairpe	rson		
and Secretary	of the Asso	ciation are hereby	/ authorized and e	mpowered to ta	ke all action necessary
	e execution of all written inst	ruments as may b	e required in rega		
ecifically provided by sured by the Governm tail in the bond resol ould be found to be in	the terms of such instrument, ent or assignee. The provision ution or ordinance; to the ext consistent with the provision	, shall be binding as of sections 6 th tent that the prov	upon the Associ rough 17 hereof r isions contained	ation as long as may be provided in such bond r	the bonds are held or for in more specific esolution or ordinance
e vote was:	Yeas	Nays	0	Absent	1
NESS WHEREOF, u	Board of Commision	oners			of the
			has duly adop	ted this resolut	ion and caused it
secuted by the officers	below in duplicate on this	2018		th day of _	November
		Ву	Vain Miller	till	
	A TANK THE PARTY	Title Ch	TOIL THINGS		
	used for such things. To provide adequate USDA's concurrence are feasible and leg. To comply with the pose of avoiding or . To accept a grant in under the terms offer and Secretary or appropriate in the to operate the facilities provisions hereof an ecifically provided by sured by the Governmental in the bond resoluted by	used for such things as emergency maintenance, To provide adequate service to all persons within USDA's concurrence prior to refusing new or ad are feasible and legal, such person shall have a d. To comply with the measures identified in the G pose of avoiding or reducing the adverse enviror. To accept a grant in an amount not to exceed \$ under the terms offered by the Government; that and Secretary of the Asso or appropriate in the execution of all written inst to operate the facility under the terms offered in the provisions hereof and the provisions of all instrument sured by the Government or assignee. The provision stail in the bond resolution or ordinance; to the extended by the found to be inconsistent with the provision sociation and the Government or assignee. The vote was: Yeas Yeas TNESS WHEREOF, the Board of Commision and the officers below in duplicate on this executed by the officers below in duplicate on this	used for such things as emergency maintenance, extensions to face. To provide adequate service to all persons within the service area USDA's concurrence prior to refusing new or adequate services to are feasible and legal, such person shall have a direct right of action. To comply with the measures identified in the Government's environce of avoiding or reducing the adverse environmental impacts of the accept a grant in an amount not to exceed \$\frac{1}{2}\$ under the terms offered by the Government; that the Chairpe and Secretary of the Association are hereby or appropriate in the execution of all written instruments as may be to operate the facility under the terms offered in said grant agreen the provisions hereof and the provisions of all instruments incident to ecifically provided by the terms of such instrument, shall be binding sured by the Government or assignee. The provisions of sections 6 the stail in the bond resolution or ordinance; to the extent that the proviould be found to be inconsistent with the provisions hereof, these possociation and the Government or assignee. Nays TNESS WHEREOF, the Board of Commissioners Secuted by the officers below in duplicate on this 2018	used for such things as emergency maintenance, extensions to facilities and replacer. To provide adequate service to all persons within the service area who can feasibly USDA's concurrence prior to refusing new or adequate services to such persons. Up are feasible and legal, such person shall have a direct right of action against the Ass. To comply with the measures identified in the Government's environmental impact pose of avoiding or reducing the adverse environmental impacts of the facility's condition. To accept a grant in an amount not to exceed \$\frac{1}{2}\$ under the terms offered by the Government; that the Chairperson and Secretary of the Association are hereby authorized and ever appropriate in the execution of all written instruments as may be required in regat 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 ecifically provided by the terms of such instrument, shall be binding upon the Associated by the Government or assignee. The provisions of sections 6 through 17 hereof in the bond resolution or ordinance; to the extent that the provisions contained it would be found to be inconsistent with the provisions hereof, these provisions shall be ssociation and the Government or assignee. Yeas	and Secretary of the Association are hereby authorized and empowered to tae or appropriate in the execution of all written instruments as may be required in regard to or as evid 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 ecifically provided by the terms of such instrument, shall be binding upon the Association as long as sured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided tail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution and the Government or assignee. The vote was: Yeas Yeas Nays Absent TRESS WHEREOF, the Board of Commisioners TRESS WHEREOF, the Board of Commisioners Association and duplicate on this 2018 day of

to

Title Secretary

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersig	ned, as Secretary	of ti	Washington County Service Authority
hereby certify that	the Board of Cor	mmisioners	of such Association is composed of
held on the	26th day	of November 2	stituting a quorum, were present at a meeting thereof duly called and of the control of the con
by the vote shown the date of closing rescinded or amend	of the loan from the Uni	nat as of November ted States Department of A	griculture, said resolution remains in effect and has not been
Dated, this	2644	day of November	2018
			Blulo
			Robbie Cornett
			Title Secretary

LOAN RESOLUTION

(Public Bodies)

A RESOLUTION OF THE Board of Commisioners

Washington 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

water system

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

WHEREAS, it is necessary for the Washington County Service Authority

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

Seven Million & 00/100

VA Public Finance Act pursuant to the provisions of

: 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:

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.

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.
- pose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the pur-17. To accept a grant in an amount not to exceed \$ 1,000,000.00 under the terms offered by the Government; that the Chairperson and Secretary 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.

Robbie Cornett Title Secretary

The vote was: IN WITNESS WHEREOF, the Board of Commissioners of the Washington County Service Authority has duly adopted this resolution and caused it 2018 day of November to be executed by the officers below in duplicate on this (SEAL) Chairperson Attest:

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Se	cretary	of the Wa	ashington County Service Authority
hereby certify that the Board	of Commisioners		of such Association is composed of
			a quorum, were present at a meeting thereof duly called and
held on the 26th	day of Nov. 21	018 ; an	d that the foregoing resolution was adopted at such meeting
by the vote shown above, I furth the date of closing of the loan fi rescinded or amended in any wa	om the United States Departm	ent of Agricultu	re, said resolution remains in effect and has not been
Dated, this 24 W	day of Nov	ember 2	800
			Robbie Cornett Title Secretary

RESOLUTION OF GOVERNING BODY OF WASHINGTON COUNTY SERVICE AUTHORITY

The governing body of the Washington County Service Authority, consisting of 7 members, in a duly called meeting held on the 26th day of November, 2018, at which a quorum was present RESOLVED as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America, United States Department of Agriculture, Rural Development (the Government) for the <u>Galvanized Line</u> Replacement Project Phase 3 and the Abingdon Water Storage Tank Replacement Project, the governing body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED that the Chairman or Secretary be authorized to execute on behalf of the Board of Commissioners, the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining said financial assistance.

This Resolution, along with a copy of the required documents, is hereby entered into the permanent minutes of the meeting of this Board of Commissioners.

WASHINGTON COUNTY SERVICE

AUTHORITY

Attest:

Secretary

By:

CERTIFICATION

I hereby certify that the above resolution was duly adopted by the Board of Commissioners of the Washington County Service Authority, at a duly assembled meeting on the 26th day of November, 2018.

Treasurer