

At the Regular Meeting of the Greenville County Water and Sewer Authority, held on Tuesday, September 6, 2016, with Budget Session beginning at 4:00 P.M. and Regular Session beginning at the conclusion of the Board of Supervisors meeting, in the Board Room of the Greenville County Government Building, 1781 Greenville County Circle, Emporia, Virginia

Present: Michael W. Ferguson, Chairman  
Dr. Margaret T. Lee, Vice-Chairman  
Peggy R. Wiley  
Raymond L. Bryant, Jr.

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Chairman Ferguson called the budget meeting to order.

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In Re: Budget Session

Mr. Whittington addressed the Water and Sewer Authority stating that the next fiscal year budget was separated into two funds: one consisted of the water funds by each department and the other consisted of sewer funds by each department.

Mr. Whittington then reviewed the sewer side of the budget by each department stating that FY2016 totaled \$2,304,391.00 and the recommended budget for next year, FY2017, totaled \$2,563,467.00. Incorporated in the sewer budget was a 2.5% increase in sewer rates for FY2017. A public hearing was to be advertised and scheduled for the first meeting in October. He then reviewed the water side of the budget by each department stating that FY2016 totaled \$2,172,380.00, and the recommended budget for next year, FY2017, totaled \$2,013,282.00. Mr. Whittington asked if the Authority members had any questions regarding the proposed budget. There were none.

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In Re: Closed Session

Mr. Whittington, Director, stated that Staff recommended the Authority go into Closed Session, Section 2.2-3711 (a) 1) Personnel, 3) Acquisition of Real Property and 5) Business and/or Industry Matters.

Mr. Bryant moved, seconded by Dr. Lee, to go into Closed Session, as recommended by Staff. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Regular Session

Mr. Whittington stated that Staff recommended the Authority return to Regular Session.

Dr. Lee moved, seconded by Mr. Bryant, to go into Regular Session. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Certification of Closed Meeting – Resolution #WS-16-56

Mr. Bryant moved, seconded by Dr. Lee, to adopt the following Resolution. A roll call vote was taken, as follows: Mr. Bryant, aye; Dr. Lee, aye; Mrs. Wiley, aye and Chairman Ferguson, aye.

**RESOLUTION #WS-16-56  
CERTIFICATION OF CLOSED MEETING**

**WHEREAS**, the Greenville Water and Sewer Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Greenville County Water and Sewer Authority that such closed meeting was conducted in conformity with Virginia law:

**NOW, THEREFORE, BE IT RESOLVED** that the Greenville County Water and Sewer Authority hereby certifies that, to the best of each member’s knowledge, (i) 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 (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Greenville County Water and Sewer Authority.

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In Re: Approval of Agenda

Mr. Whittington stated that Staff recommended approval of the Agenda with two added items: Scheduling of a Public Meeting to talk to residents about their utilities in the Brunswick Road area and the addition of a Property Acquisition Matter in Open Session.

Mr. Bryant moved, seconded by Mrs. Wiley, to approve the Agenda as amended. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Approval of the Consent Agenda

Mr. Whittington stated that Staff recommended approval of the Consent Agenda.

Dr. Lee moved, seconded by Mr. Bryant, to approve the Consent Agenda consisting of the following items. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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Minutes from the meeting of August 15, 2016

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Budgetary Matters consisting of the following: Fund #001 – Journal Voucher #45, in the amount of \$10,891.00 and Fund #001 &002 – Journal Voucher #43, in the amount of \$58,176.17, Journal Voucher #44, in the amount of \$47,925.00, all of which are incorporated herein by reference.

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Warrants:

Approval of Total Accounts Payable for September 6, 2016, in the amount of \$1,393,345.94

Approval of Accounts Payables for the General Fund, in the amount of 1,364,586.01

Approval of Accounts Payables for Special Projects, in the amount of \$28,759.93

Approval of Payroll for August 31, 2016, in the amount of \$97,151.29

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In Re: CoBank Loan Documents

Mrs. Brenda Parson addressed the Authority stating that Staff was requesting approval of Resolution #WS-16-59 authorizing the interim and long time financing with CoBank for the Reservoir project. She stated that the interim loan would be taken out by

Rural Development at a later date with permanent financing. She stated that there was also a long term loan for gap funding that was needed on the project.

**RESOLUTION #WS-16-59 AUTHORIZING INTERIM AND ADDITIONAL LONG-TERM FINANCING OF A WATER RESERVOIR AND INTAKE STRUCTURE FOR THE WATER SYSTEM OF THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY AND THE ISSUANCE, SALE AND AWARD OF NOTES AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, the Greensville County Water and Sewer Authority (the “Authority”) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”) by the Board of Supervisors of Greensville County, Virginia (the “County”), and presently owns, operates and maintains water and sewer systems to provide for the water and sewer needs of the residents and businesses of the County; and

**WHEREAS**, the Authority is authorized to borrow money and to issue its notes, bonds, bond anticipation notes, and other obligations for the payment of money to pay all or part of the cost of such systems; and

**WHEREAS**, the Board of Directors of the Authority (the “Board”) has determined to construct improvements to its water system in the County as further described below and to issue its bonds and notes, the proceeds of which, together with other available funds, are estimated to be sufficient to pay the cost of the Project hereinafter authorized; and

**WHEREAS**, the Board has determined to construct and equip a raw water reservoir, new intake and pump station on the Nottoway River (the “Project”) for its water system (the “System”) in the County and to issue its anticipation notes (the “Anticipation Notes”) to provide for the interim financing of the Project; and

**WHEREAS**, the Board has further determined to issue its revenue note (the “Long-Term Note”) for long-term financing of the Project in addition to the long-term financing of the Project that is expected to be through a U.S. Rural Development borrowing; and

**WHEREAS**, CoBank, ACB, a federally-chartered instrumentality of the United States (“CoBank”), has offered to purchase the Anticipation Notes and Long-Term Note upon certain terms and conditions, and the Authority, after mature consideration of the condition of the municipal bond market and other methods of selling its bonds and notes,

has determined to satisfy such terms and conditions and award the bonds or notes to CoBank; and

**WHEREAS**, there have been presented to this meeting drafts of the following documents (collectively, the “Documents”) in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

(a) A Credit Agreement to be dated as of the sale date of the Anticipation Notes (the “Credit Agreement”) between the Authority and CoBank, pursuant to which the Anticipation Notes and Long-Term Note will be sold to the CoBank;

(b) Form of Anticipation Notes for the interim financing of the Project; and

(c) Form of Long-Term Note for the additional long-term financing of the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY:**

**Issuance of Anticipation Notes. Pursuant to the Act, the Board hereby provides for the issuance and sale of anticipation notes of the Authority to provide interim financing for the Project and to pay related issuance and financing costs incurred in connection with issuing such Anticipation Notes.**

**Anticipation Note Details. The Anticipation Notes shall be issued in one or more series in an aggregate principal amount not to exceed \$24,863,000 (the “Anticipation Note Maximum Amount”). The final terms of the Anticipation Notes will be determined by the Chairman or Vice Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery of the Anticipation Notes, subject to the following parameters: (i) the original aggregate principal amount of the Anticipation Notes shall not exceed the Anticipation Note Maximum Amount, (ii) the Anticipation Notes shall bear a variable interest rate as set forth therein and at an initial rate that shall not exceed 2.000% per annum, and (iii) the Anticipation Notes shall mature not later than June 30, 2020.**

**Payment, Prepayment and Redemption Provisions of the Anticipation Notes. The principal of and interest on the Anticipation Notes shall be payable on the dates and in the amounts set forth in the Anticipation Notes and the Credit Agreement. The principal of the Anticipation Notes shall be subject to optional prepayment or redemption, in whole or in part, by the Authority, at any time.**

**Execution and Form of Anticipation Notes. The Anticipation Notes shall be signed by the Chairman or Vice Chairman of the Board and the Authority’s seal shall be affixed thereon and attested by the Director of the Authority or Secretary-Treasurer of the Board. The Anticipation Notes shall be issued as a typewritten bond or note in substantially the form submitted to this meeting, with such**

**completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Anticipation Notes.**

**Issuance of Long-Term Note. Pursuant to the Act, the Board hereby provides for the issuance and sale of a revenue note of the Authority to provide additional long-term financing for the Project and to pay related issuance and financing costs incurred in connection with issuing such Long-Term Note.**

**Long-Term Note Details. The Long-Term Note shall be issued as a single note in a principal amount not to exceed \$2,710,000 (the “Long-Term Note Maximum Amount”). The final terms of the Long-Term Note will be determined by the Chairman or Vice Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery of the Long-Term Note, subject to the following parameters: (i) the original aggregate principal amount of the Long-Term Note shall not exceed the Long-Term Note Maximum Amount, (ii) the Long-Term Note shall bear a fixed interest rate that shall not exceed 5.000% per annum, and (iii) the Long-Term Note shall mature not later than December 31, 2044.**

**Payment, Prepayment and Redemption Provisions of the Long-Term Note. The principal of and premium, if any, and interest on the Long-Term Note shall be payable on the dates and in the amounts set forth in the Long-Term Note and the Credit Agreement. The principal of the Long-Term Note shall be subject to optional prepayment or redemption, in whole or in part, by the Authority, as set forth in the Credit Agreement and the Long-Term Note.**

**Execution and Form of Long-Term Note. The Long-Term Note shall be signed by the Chairman or Vice Chairman of the Board and the Authority’s seal shall be affixed thereon and attested by the Director of the Authority or Secretary-Treasurer of the Board. The Long-Term Note shall be issued as a typewritten bond or note in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Long-Term Note.**

**Execution and Form of Documents. The Chairman or Vice Chairman of the Authority, or either of them, is hereby authorized and directed to execute the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing them, his or her execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes, including but not limited to changes in payment dates, principal amortization amounts and maturity date.**

**Anticipation Notes as Obligations. The Anticipation Notes are obligations of the Authority to be paid solely from the revenues and proceeds from the long-term financing of the Project expected to be a combination of long-term financing from**

**CoBank and U.S. Rural Development, which long-term financing in turn will be payable solely from revenues of the water and sewer system operated by the Authority. Nothing in the Anticipation Notes or this Resolution shall be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the County. The issuance of the Anticipation Notes shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the County, to pledge its faith and credit or levy any taxes for the payment of the principal of or interest on the Anticipation Notes or other costs incident to it or make any appropriation for its payment except from any revenues or other funds pledged for such purpose.**

**Pledge of Long-Term Note Proceeds and Revenues; Parity. Principal of and premium, if any, and interest on the Long-Term Note and all other amounts due thereunder shall be payable solely from the revenues of the water and sewer system operated by the Authority, which are pledged as set forth in the Long-Term Note. Nothing in the Long-Term Note or this Resolution shall be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the County. The issuance of the Long-Term Note shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the County, to pledge its faith and credit or levy any taxes for the payment of the principal of or premium, if any, or interest on the Long-Term Note or other costs incident to it or make any appropriation for its payment except from the revenues and other funds pledged for such purpose.**

The Long-Term Note will be secured on parity with any other bonds or notes of the Authority secured by the pledge of revenues of the water and sewer system operated by the Authority, including but not limited to:

\$235,629 Water and Sewer System Revenue Bond, Series 2003;

\$4,435,000 Water and Sewer System Revenue Refunding Bond, Series 2010;

\$1,640,000 Water and Sewer System Revenue Bond, Series of 2011;

\$2,105,000 Water and Sewer System Revenue Refunding Bond, Series 2013;

\$2,540,000 Water and Sewer System Revenue Refunding Bond, Series 2014;

\$2,025,000 Water and Sewer System Revenue Bond, Series 2016A; and

any additional bonds or notes issued by the Authority prior to or on the closing dates of the Long-Term Note that are secured by the revenues of the water and sewer system operated by the Authority, to the extent that either the holders of such bonds or notes consent in writing to such parity or that such parity is otherwise obtained in accordance with the terms and provisions of any resolutions or agreements governing the issuance of such bonds or notes.

Preparation of Printed Anticipation Notes and Long-Term Note. **The Authority shall initially issue the Anticipation Notes and the Long-Term Note in typewritten form. Upon request of the registered owner and upon presentation of the Anticipation Note(s) or Long-Term Note at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable, the Anticipation Note(s) or Long-Term Note in printed form in an aggregate principal amount equal to the unpaid principal of the Anticipation Note(s) or Long-Term Note in typewritten form, in denominations of \$5,000 and multiples thereof (except that one Anticipation Note or Long-Term Note may be issued in an odd denomination of not less than \$5,000), of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Anticipation Note(s) or Long-Term Note may be executed by manual or facsimile signature of the Chairman or Vice Chairman of the Board, the Authority's seal affixed thereto and attested by the Director of the Authority or Secretary-Treasurer of the Board; provided, however, that if both such signatures are facsimiles, no Anticipation Note(s) or Long-Term Note shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Anticipation Note(s) or Long-Term Note surrendered in any such exchange shall be canceled.**

Registration and Transfer of Anticipation Notes and Long-Term Note. **The Authority appoints the Secretary/Treasurer of the Authority as paying agent and registrar (the "Registrar") for the Anticipation Notes and the Long-Term Note. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Anticipation Notes and the Long-Term Note at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new Anticipation Note or Long-Term Note having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.**

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

Mutilated, Lost or Destroyed Anticipation Notes and Long-Term Note. **If the Anticipation Notes or Long-Term Note have been mutilated, lost or destroyed, the Authority shall execute and deliver a new Anticipation Note or Long-Term Note of**

like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Anticipation Note or Long-Term Note or in lieu of and in substitution for such lost or destroyed Anticipation Note or Long-Term Note; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Anticipation Note or Long-Term Note (a) has filed with the Authority evidence satisfactory to the Authority that such Anticipation Note or Long-Term Note was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

Other Actions. All other actions of Authority officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Anticipation Notes and Long-Term Note are ratified, approved and confirmed. The Authority officials are authorized and directed to execute and deliver all agreements, certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Anticipation Notes and Long-Term Note and the execution and delivery of the Documents pursuant to this Resolution, including, but not limited to a loan agreement, project fund agreement and any other agreements. A certified copy of this Resolution shall be filed with the Clerk of the Circuit Court of Greensville County, Virginia in accordance with Section 15.2-5126 of the Code of Virginia of 1950, as amended.

Other Resolutions. All resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed.

Effective Date. This Resolution shall take effect immediately.

Mr. Bryant moved, seconded by Dr. Lee, to approve both the interim and long time financing with CoBank. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

Mrs. Parson stated that Staff was requesting approval on the Credit Agreement, Promissory Note for Long-Term Development, a Promissory Note for the RD Interim funding and a third Promissory Note for the Interim Development Loan through CoBank.

Dr. Lee moved, seconded by Mr. Bryant, to approve Staff's recommendations. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Deed of Easement Resolution #WS-16-57 between the City of Virginia Beach, Virginia and the Greensville County Water and Sewer Authority

Mr. Glen Gibson addressed the Authority stating that the water treatment plant's new force main would cross the Virginia Beach pipe line. He stated that the Authority applied for and had been granted permission to cross the pipe line. He also stated that the City of Virginia Beach Attorney's Office prepared a Deed of Easement between the City

and the Water and Sewer Authority. He then requested that the Authority adopt Resolution #WS-16-57 authorizing the Chairman of the Water and Sewer Authority execute the Deed of Easement.

Dr. Lee moved, seconded by Mr. Bryant, to approve Staff's request. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Establishment of a Public Meeting

Mr. Whittington stated that Staff was recommending the Authority authorize Staff to hold a public meeting on utilities pertaining to the Dominion Project on September 15, 2016 at 6:00 p.m. to be held at the Golden Leaf Commons.

Dr. Lee moved, seconded by Mrs. Wiley, to approve Staff's request. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Property Acquisition

Mr. Whittington stated that Staff was seeking authorization to exercise the option contract on property owned by Spruce Creek. He stated that this would be the site of the new water reservoir for Greenville County. He then requested authorization for the Chairman to execute the appropriate documents to exercise the option and close on the property.

Mr. Bryant moved, seconded by Dr. Lee, to authorize the Chairman to sign the appropriate documents as requested by staff. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

Mr. Whittington stated that Staff also recommended that the Authority authorize Staff to write a check for the property acquisition in the amount of \$1,964,513.44.

Mr. Bryant moved, seconded by Dr. Lee, to authorize Staff to write the check in the amount of \$1,964,513.44 for the property acquisition. Voting aye: Mr. Bryant, Dr. Lee, Mrs. Wiley and Chairman Ferguson.

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In Re: Miscellaneous Matters

Mr. Whittington stated that the Staff Work Programs were prepared for the Authority's review and comments.

Chairman Ferguson asked if anyone had any questions. There were none.

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In Re: Adjournment

There being no further business to discuss, Mr. Bryant moved, seconded by Mrs. Wiley, to adjourn the meeting. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

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Michael W. Ferguson, Chairman  
Greenville County Water and Sewer Authority