

At a regular meeting of the Pulaski County Board of Supervisors held on Monday, December 19, 1994 at 7:00 p.m. at the Pulaski County Administration Building Board Chambers, 143 Third Street, N. W. in the Town of Pulaski, Virginia, the following members were present: Jerry D. White, Chairman; Joseph L. Sheffey, Vice-Chairman; Dr. Bruce L. Fariss; and Ira S. "Pete" Crawford; and Mason A. Vaughan, Sr.

1. Invocation

The invocation was given by Joseph N. Morgan, County Administrator.

2. Additions to Agenda

The Board reviewed and accepted by consent additions to the agenda and additional information related thereto.

3. Public Hearings:

Welcome of Dublin Town Council Convening of Town Council Meeting

At this time Chairman White welcomed members of the Dublin Town Council and Town officials. Dublin Town Mayor, Benny Keister, convened the Dublin Town Council meeting.

a. Joint Hearing with Dublin Town Council on Town of Dublin Boundary Line Adjustment

Chairman White opened the public hearing on this matter for the Board of Supervisors and Mayor Keister opened the public hearing on behalf of the Dublin Town Council.

b. Items Related to Dublin Boundary Line Adjustment

1. Dublin Boundary Line Adjustment Agreement

It was moved by Mr. Crawford, seconded by Mr. Sheffey and carried, that the Chairman be authorized to execute, and the Clerk of the Board of Supervisors be authorized to attest, the boundary line adjustment agreement for the Town of Dublin, which agreement was jointly reviewed by the Dublin Town Council and the Board of Supervisors at this December 19, 1994, regular meeting of the Pulaski County Board of Supervisors; and

That the County Attorney be authorized to perfect the text of the agreement as needed to satisfy the requirements of filing of the agreement with the Circuit Court of Pulaski County; and

That this approval extend to the entire text of the agreement as it will be recorded in the Office of the Clerk of the Circuit Court of Pulaski County.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White,
Mr. Vaughan, Mr. Sheffey.
Voting no: none.

2. Utility Agreement

County Attorney Thomas J. McCarthy, Jr. reviewed with the Board of Supervisors and the Dublin Town Council the proposed utility agreement.

On the motion of Dr. Fariss, seconded by Mr. Crawford and carried, the Board of Supervisors approved the following utility

agreement with the Town of Dublin:

TOWN OF DUBLIN/PULASKI COUNTY PUBLIC SERVICE AUTHORITY
COOPERATIVE UTILITY USE AGREEMENT

THIS AGREEMENT made and entered into this 19th day of December, 1994, by and between the TOWN OF DUBLIN, VIRGINIA, a duly chartered political subdivision of the Commonwealth of Virginia, hereinafter referred to as "TOWN", the PULASKI COUNTY PUBLIC SERVICE AUTHORITY, a public body politic and corporate of the Commonwealth of Virginia, hereinafter referred to as the "AUTHORITY", duly created pursuant to the Virginia Water and Sewer Authorities Act, and the COUNTY OF PULASKI, VIRGINIA, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as "COUNTY".

WITNESSETH:

THAT FOR and in consideration of the mutual terms and conditions set forth herein, the parties agree as follow:

1. The Town shall have access to use of utility mains and appurtenances, both water and sewer, that are owned by the Authority but located within Town limits. This use shall include existing and future water and sewer mains and appurtenances. Cost to the Town for the duration of this Agreement and any renewals of it for use of said mains shall only be that of the actual connection, which the Town could choose to install. There shall also be no availability charges.
2. Sewage treatment capacity in the Pepper's Ferry Regional Wastewater Treatment Authority plant, owned by the Authority, of up to two hundred eighty thousand gallons (280,000) per day will be made available from the County of Pulaski, Virginia, through the Authority to the Town on a rental basis at the cost per gallon of annual debt service as determined on an annual fiscal year basis for the 1984 County General Obligation Bond Issue which financed the building of the sewage treatment plant. For fiscal year 1994-95, that cost is .154 cents per gallon (423,710 divided by 2,750,000 gallons). The rent shall be not less than .12 cents per gallon nor more than .18 cents per gallon. The same capacity shall be made available to the Town for purchase for \$3.00 per gallon per day of treatment capacity if this option is exercised before the filing of any annexation or boundary adjustment action without the mutual consent or agreement of the County.
3. The future sewer collection system, which shall be available to the Town during the term of this Agreement, includes access without an availability fee to the proposed sewage transmission line and related pump station that will be installed on the current Burlington Industries property and which will serve as part of the sewage transmission system scheduled for installation to serve Claytor Lake State Park in 1995.
4. The Authority is hereby granted a permanent authorization to transmit sewage through the Town system from the Route 100 sewage collection system. The only cost for use of Town mains shall be a proportionate cost of the maintenance of

those mains calculated as a percentage of the total sewage transmitted through said mains for the period they are used by the Authority. The maximum capacity the Authority shall have the option of transmitting through said mains is that capacity of the current Route 100 system and its two pump stations. The determination of proportionate maintenance cost of the Route 100 collection system will be made by the Town after consultation with the Authority. Maintenance shall include any cost of enlargement of the Route 100 collection main, amortized over a reasonable period of time, that may be necessary to accommodate the current capacity of the Authority's Route 100 system and its two pump stations.

5. Neither the Authority nor the Town will charge the other for transmission of water through their systems. Water transmission shall be accurately measured to allow appropriate credits for water usage by either party. This agreement contemplates the continuation of the current practice of not charging for transmission to service Town customers such as Lucky Winner Company through the Authority's mains and future transmission through the Town mains of water to the New River Valley Airport Industrial Park and surrounding areas by the Authority.
6. Should the Town initiate a boundary adjustment or annexation proceedings in excess of any mutually agreed boundary adjustment or annexation between the Town Council and Board of Supervisors, payment to the Authority and/or the County for the then current installation value of all Authority or County owned water and sewer mains within the Town limits shall be made to the Authority or County by the Town within six (6) months of such boundary adjustment or annexation. In addition all County sewage treatment capacity in the Pepper's Ferry Regional Wastewater Treatment Authority

sewer system, including pump stations, that would come within hD 30847 >> 4()-6(b)4(o)4(u)-2(n)4(d)-2(a)8(r)-1(y> 4()-6(s)7(h)-2(al)4(l)> 4()-6(be p)4(u)-2(rc)8(has)7(e)2(d

at any time.

9. This Agreement shall have a fifteen year minimum term, which shall be automatically renewable from year to year thereafter unless either party shall give to the other six (6) months notice to terminate this Agreement and negotiate new terms.

WITNESS the following signatures and seals the day and year first above written.

TOWN OF DUBLIN, VIRGINIA

BY: Walter B. Keister
ITS: Mayor

ATTEST:

Gary Elander
ITS: Clerk to Council

PULASKI COUNTY PUBLIC
SERVICE AUTHORITY

BY: H. W. Huff, Jr.
ITS:Chairman

ATTEST:

Joseph N. Morgan
ITS:Executive Director

COUNTY OF PULASKI,
VIRGINIA

BY: Jerry D. White
ITS:Chairman

ATTEST:

Joseph N. Morgan
ITS:Clerk to the Board of
Supervisors

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White,
Mr. Vaughan, Mr. Sheffey.
Voting no: none.

3. Cooperation on Dublin Industrial Park Development

On the motion of Dr. Fariss, seconded by Mr. Sheffey and carried, the Board of Supervisors resolved to continue cooperation with the Town of Dublin and staff on issues related to the Dublin Industrial Park Development.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White,
Mr. Vaughan, Mr. Sheffey.
Voting no: none.

- c. Transportation Enhancement Grant Projects

The Board of Supervisors reviewed several projects as presented by staff for submission for grant funding. Chairman White then opened

the public hearing on this matter. No public comments were heard; and therefore, the Chairman closed the public hearing.

On the motion of Mr. Sheffey, seconded by Dr. Fariss and carried, the Board of Supervisors approved submitting grant applications for the following projects in order of priority as listed:

1. Allisonia Railway Station restoration and New River Trail access;
2. Draper Mountain Overlook and bike trail; and
3. County entrance signs.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White, Mr. Vaughan, Mr. Sheffey.

Voting no: none.

- d. A plat vacation request by Anna Dansco for closure of an unimproved portion of Grove Street, in Oakwood Subdivision between property identified on Pulaski County tax records as parcels 47-17-4-1 and 47-17-1-1, zoned Residential (R), located off Route 1048, Jewell Avenue, in the Ingles District

County Administrator Joseph Morgan advised the Planning Commission had recommended approval of this request.

At this time Chairman White opened the public hearing on this matter for public comments. Mr. Clarence Quesenberry, an adjacent property owner, appeared before the Board and expressed his opposition to closing the property. Mr. B. T. Underwood, also a resident of the area, appeared and expressed opposition to this matter. Mr. Mark Henslow, a friend of Ms. Dansco, appeared and advised Ms. Dansco wanted to build an addition to her house. In addition, she wanted to maintain said property. No other public comments were heard; therefore, the Chairman closed the public hearing on this matter.

On the motion of Dr. Fariss, seconded by Mr. Sheffey and carried, the Board of Supervisors approved the plat vacation request of Anna Dansco for closure of an unimproved portion of Grove Street in Oakwood Subdivision between property identified on Pulaski County tax records as parcels 47-17-4-1 and 47-17-1, zoned residential (R), located off Route 1048, Jewell Avenue, in the Ingles District.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. Sheffey.

Voting no: Mr. White, Mr. Vaughan.

- e. A request by Leon Gillis for an amendment to the zoning map from Conservation (C1) to Agricultural (A1) on property identified on Pulaski County tax records as parcels 7-1-9A and 7-1-14 located on Route 600, Parrott River Road, in the Cloyd District

The County Administrator reported this request had been recommended for denial by the Planning Commission. Further, he advised a petition on opposition to the rezoning had been received which the Board reviewed.

Chairman White opened the public hearing on this matter for public comments. The following individuals spoke in opposition to this re-zoning request: Ms. Kathy Bowman, Mr. Jim Bowman, and Ms. Debbie Hamilton. No further comments were received; therefore, the Chairman closed the public hearing on this matter.

On the motion of Mr. Sheffey, seconded by Dr. Fariss and carried, the Board of Supervisors denied the request of Leon Gillis for an amendment to

the zoning map from Conservation (C1) to Agricultural (A1) on property identified on Pulaski County tax records as parcels 7-1-9A and 7-1-14 located on Route 600, Parrott River Road, in the Cloyd District.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White, Mr. Vaughan,
Mr. Sheffey.

Voting no: none.

- f. Proposed Bonds to Finance Construction of Water Facilities to Serve Route 660, Claytor Lake State Park Road, Claytor Lake State Park and Pond Lick Hollow

Chairman White opened the public hearing on this matter for public comments. No comments were received; therefore, the Chairman closed the public hearing.

On the motion of Mr. Vaughan, seconded by Mr. Sheffey and carried, the Board of Supervisors adopted the following resolution authorizing the issuance and sale of water and sewer revenue bonds to finance construction of water facilities to serve Route 660, Claytor Lake State Park Road, Claytor Lake State Park, and Pond Lick Hollow:

A meeting of the Board of Supervisors of Pulaski County, Virginia (the "Board of Supervisors"), was held on December 19, 1994, at which the members of the Board of Supervisors were present or absent as follows:

Mason A. Vaughan, Sr.	Present
Joseph L. Sheffey	Present
Bruce L. Fariss	Present
Jerry D. White	Present
Ira S. Crawford	Present

The following resolution was adopted at such meeting by an affirmative roll call vote of a majority of all members of the Board of Supervisors, the ayes and nays being recorded in the minutes of the meeting as shown below:

MEMBER	VOTE
Mason A. Vaughan, Sr.	Aye
Joseph L. Sheffey	Aye
Bruce L. Fariss	Aye
Jerry D. White	Aye
Ira S. Crawford	Aye

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$901,000 WATER AND SEWER REVENUE BONDS OF PULASKI COUNTY, VIRGINIA, AS ADDITIONAL BONDS PURSUANT TO AN INITIAL RESOLUTION ADOPTED ON AUGUST 27, 1990, BY THE BOARD OF SUPERVISORS, AMENDING AND SUPPLEMENTING SUCH INITIAL RESOLUTION AND REPEALING A SUPPLEMENTAL RESOLUTION

WHEREAS, by a resolution adopted August 27, 1990 (the "Initial Resolution"), the Board of Supervisors of Pulaski County (the "Board of Supervisors") authorized the construction

of extensions and improvements to the County's sewer system, and the issuance and sale of a \$212,600 Sewer Revenue Bond, Series of 1990 (the "Initial Bond"); and

WHEREAS, the County is not in default in payment of principal of or interest on the Initial Bond or in the performance of any of the covenants, conditions, agreements and provisions contained in the Initial Bond or Initial Resolution; and

WHEREAS, within the limitations of and in compliance with Section 15 of the Initial Resolution, the County is authorized to issue additional bonds secured on a parity with the Initial Bond to finance the cost of the acquisition or construction of improvements, extensions, additions and replacements to the County's sewer system; and

WHEREAS, the County has determined to acquire, construct and equip water facilities to provide water service to the Route 660, Claytor Lake State Park and Pond Lick Hollow areas in the County and has determined that it is necessary to issue its revenue bonds in the aggregate principal amount of Nine Hundred One Thousand and No/100 Dollars (\$901,000) (the "First Additional Bonds"), the proceeds of which, together with other available funds, are estimated to be sufficient to pay the cost of such facilities; and

WHEREAS, on February 22, 1993, the Board of Supervisors adopted a resolution (the "1993 Resolution") authorizing the issuance and sale of a \$402,500 water and sewer revenue bond of the County to finance a portion of the then estimated costs of the water facilities, such bond has not been issued, and the Board of Supervisors desires to repeal the 1993 Resolution; and

WHEREAS, the United States of America, acting through the Farmers Home Administration, has offered to purchase the First Additional Bonds upon certain terms and conditions as set forth in its letter dated January 11, 1993, to the County as amended by letter dated November 28, 1994 (the "Government Letter"), which letter is on file with records of the County, and the County, after mature consideration of the conditions of the municipal bond market, has determined to satisfy such terms and conditions and award the First Additional Bonds to the United States of America, Farmers Home Administration and/or its successors (the "Government"); and

WHEREAS, the Government is the holder of the Initial Bond; and

WHEREAS, to comply with the terms and conditions of the Government Letter it is desirable to combine the sewer system and the water system into one water and sewer system for the County and, with the consent of the Government as the holder of the Initial Bond, to amend and supplement the Initial Resolution in certain respects.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PULASKI COUNTY:

ARTICLE I

DEFINITIONS; ESTABLISHMENT OF WATER AND SEWER SYSTEM;
AUTHORIZATION OF WATER PROJECT

Section 1.1. Definitions. Whenever used in this resolution, unless a different meaning clearly appears from the context:

"Additional Bonds" shall mean any bonds issued pursuant to Section 5.1 of this resolution and secured on a parity with the Initial Bond and the First Additional Bonds by a pledge of the revenues and derived from the ownership or operation of the System.

"Bonds" shall mean the Initial Bond, the First Additional Bonds and any Additional Bonds issued hereunder.

"Consulting Engineer" shall mean such engineering firm or individual engineer satisfactory to the Government and employed by the County with regard to the construction, operation, maintenance or repair of the System or any part thereof.

"Government" shall mean the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, its successors and assigns.

"Initial Bond" shall mean the County's sewer revenue bond in the aggregate principal amount of \$212,600, issued pursuant to the Initial Resolution.

"Initial Resolution" shall mean the resolution entitled "A Resolution Authorizing the Issuance, Sale, Detail and Payment of a \$212,600 Sewer Revenue Bond, Series of 1990 of Pulaski County, Virginia," adopted by the Board of Supervisors on August 27, 1990.

"Projects" shall mean the Water Project and the "Project" as defined in the Initial Resolution.

"System" shall mean the County's water and sewer system, including the Projects, all additions, extensions and enlargements thereto and any water or sewer project or projects, or combination thereof, that may be duly authorized by the Board of Supervisors and made a part of the System.

"Water Project" shall mean the "Water Project" as defined in Section 1.3 of this resolution.

Section 1.2. Establishment of System. All the sewer facilities and water facilities now or hereafter owned by the County are hereby combined to form, and shall constitute, one water and sewer system (the "System").

Section 1.3. The Water Project. In order to provide water service to the Route 660, Claytor Lake State Park and Pond Lick Hollow areas in the County, the Board of Supervisors hereby authorizes the acquisition, construction and equipment of water facilities in accordance with plans entitled "Claytor Lake Water Line Extension" dated May, 1992, prepared by the County's engineer, as such may be appropriately amended from time to time (the "Water Project").

Section 1.4. Cost of Water Project; Part of System. The cost of the Water Project authorized herein is estimated to be \$1,144,200, \$901,000 of which is to be financed through the issuance of the First Additional Bonds, \$68,200 of which is to be paid from available funds of the County, and \$175,000 of which is to be paid by a grant from the Commonwealth of Virginia. The Board of Supervisors hereby finds and orders that the Water Project shall be a part of the System.

ARTICLE II

AUTHORIZATION, FORM, EXECUTION, DELIVERY AND REGISTRATION OF FIRST ADDITIONAL BONDS

Section 2.1. Authorization of First Additional Bonds. Pursuant to Article VII, Section 10(a)(3) of the Constitution of Virginia and the Public Finance Act of 1991 (Chapter 5.1, Title 15.1, Code of Virginia of 1950, as amended) (the "Act"), there are hereby authorized to be issued water and sewer revenue bonds of the County in the aggregate principal amount of Nine Hundred One Thousand and No/100 Dollars (\$901,000) to provide funds to finance a part of the cost of the Water Project. The First Additional Bonds shall be designated "Water and Sewer Revenue Bonds, Series of 1995."

Section 2.2. Sale and Details of First Additional Bonds. The First Additional Bonds shall be issued as two fully registered bonds without coupons, shall be dated as of the date the First Additional Bonds are delivered to the Government (the "Closing Date"), shall be in the denominations of \$402,500 and \$498,500, shall be numbered R-1 and R-2, and shall bear interest at the rate of the lower of (a) 4.50% per year, or (b) the rate quoted by the Government as the closing rate effective on the Closing Date. The First Additional Bonds shall provide for payment of interest only on the first and second anniversaries of the Closing Date. Equal monthly installments of combined principal and interest on each of the First Additional Bonds shall be payable beginning the twenty-fifth full month following the Closing Date and continuing on the same date of each month thereafter until the principal of the First Additional Bonds is paid in full. With respect to each First Additional Bond, such installments shall be in an amount sufficient to amortize fully the principal of such First Additional Bond over 456 months at the rate of interest on such First Additional Bond. If not sooner paid, the final installment shall be due and payable forty (40) years from the Closing Date. The payment of every installment shall be applied first to interest accrued to the payment date and then to principal. In the event the closing occurs on the 29th, 30th or 31st day of a month, the installment payment date shall be the 28th day of the month.

Section 2.3. Form and Execution of First Additional Bonds. The First Additional Bonds shall be in substantially the form authorized by the Initial Resolution, with such insertions, omissions and variations as may be necessary to conform to the provisions hereof and shall be signed by the Chairman or Vice Chairman of the Board of Supervisors and the County's seal shall be affixed thereto and attested by the Clerk of the Board of Supervisors.

Section 2.4. Delivery of First Additional Bonds. The Chairman or Vice Chairman and the Clerk are hereby authorized

and directed to have the First Additional Bonds prepared and executed in accordance with their terms and to deliver them to the Government, as purchaser thereof upon payment of the purchase price therefor.

Section 2.5. Use of Proceeds of First Additional Bonds. The proceeds from the sale of the First Additional Bonds shall be applied to the cost of the Water Project and the cost of issuing such bonds.

Section 2.6. Registrar. The Administrator of the County is hereby appointed Registrar for the First Additional Bonds. Transfer of the First Additional Bonds may be registered upon books maintained for that purpose at the office of the Registrar. Prior to the due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

ARTICLE III

REDEMPTION OF FIRST ADDITIONAL BONDS

Section 3.1. Redemption of First Additional Bonds. The First Additional Bonds may be prepaid at the option of the County at any time as a whole or in part from time to time (but if in part, in inverse chronological order of installments), without premium. Prepayments shall not affect the obligation of the County to pay the remaining installments payable as provided in Section 2.2 above.

ARTICLE IV

SUPPLEMENTAL RESOLUTION

Section 4.1. Supplement to Initial Resolution. This resolution is adopted and the First Additional Bonds are authorized herein pursuant to, within the limitations of and in compliance with the Initial Resolution as amended by this resolution. With the consent of the Government as evidenced by its acceptance of the First Additional Bonds, the terms, provisions and covenants contained in this resolution shall control to the extent that they are contrary to or different than the terms, provisions and covenants contained in the Initial Resolution.

All terms, covenants and provisions of the Initial Resolution as amended and supplemented by this resolution shall apply with full force and effect to the Initial Bond and the First Additional Bonds and to the holders thereof. A certified copy of the Initial Resolution is on file at the office of the County, Pulaski, Virginia.

ARTICLE V

ADDITIONAL BONDS

Section 5.1. Issuance of Additional Bonds. The County

may issue additional bonds secured on a parity with the Bonds then outstanding by a pledge of the revenues derived from the ownership or operation of the System (the "Additional Bonds") to finance the cost of completing the Projects or the acquisition or construction of improvements, extensions, additions and replacements to the System or to refund any Bonds. Additional Bonds shall be in substantially the form of the Initial Bond, shall be dated such date, shall mature in such installments of principal and interest, shall bear interest at such rate or rates, shall be in such denomination or denominations and may contain such provisions for prepayment prior to their respective maturities, all as provided by the Board of Supervisors by resolution adopted prior to their issuance. Additional Bonds shall contain an appropriate series designation.

Section 5.2. Conditions of Issuance. The County shall not issue any Additional Bonds unless there shall have been filed with the County and, if the Government is the owner of either the Initial Bond, the First Additional Bonds or any Additional Bonds, with the Government, the following:

(a) a certified copy of a resolution of the Board of Supervisors in form complying with the foregoing provisions specifying all the terms of the Additional Bonds and stating the cost of the acquisition or construction of any improvements, extensions, additions and replacements to the System to be acquired or constructed and finding and ordering that such improvements, extensions, additions and replacements shall be a part of the System;

(b) a certified copy of a resolution of the Board of Supervisors awarding the Additional Bonds, specifying the interest rate or rates and directing the delivery of such Additional Bonds to the purchaser named therein upon payment of the purchase price set forth therein;

(c) if the Additional Bonds are to be issued to complete the Projects, a certificate of the Consulting Engineer to that effect; and

(d) if the Additional Bonds are to be issued for any purpose other than the refunding of Bonds or the completion of the Projects, either (i) a certificate of an independent certified public accountant stating that for the fiscal year preceding the year in which the Additional Bonds are to be issued, the net income derived from the ownership or operation of the System was not less than one hundred twenty percent (120%) of the average of the annual principal and interest requirements for the Bonds then outstanding and the Additional Bonds to be issued, or (ii) the written consent of the holders of three-fourths in aggregate principal amount of the Bonds outstanding.

ARTICLE VI

REVENUES AND FUNDS

Section 6.1. Special Covenants. It is hereby covenanted and agreed with the holders of the Bonds that so long as any of the installments of principal or interest on the Bonds are outstanding and unpaid that the County will:

(a) charge rates or fees to users of the System and fix and maintain such rates or fees at such level as will produce sufficient revenues in each fiscal year to equal an amount required to pay (i) the reasonable and necessary current expenses of operation, administration, maintenance and repair of the System (not including any allowance for depreciation or any deposits or transfers to the Debt Service Fund or the Reserve Fund established in Section 6.2 or expenditures for capital improvements and extensions to the System) (collectively, "Operating Expenses"), which shall accrue or become payable during the then current fiscal year and (ii) the amounts required by Section 6.2 to be paid during the then current fiscal year into the Debt Service Fund and Reserve Fund established in Section 6.2;

(b) apply the revenues derived from the operation of the System as provided in Section 6.2;

(c) segregate and keep segregated from all other County funds all revenues derived from the operation of the System and keep proper records and accounts therefor, separate and apart from all other municipal records and accounts;

(d) acquire and maintain such insurance coverage as may be required by the Government, including without limitation:

(i) public liability insurance with limits acceptable to the Government;

(ii) workers' compensation insurance on all employees of the Authority in accordance with the laws of the Commonwealth of Virginia;

(iii) fidelity bonds on all officers and employees of the Authority entrusted with the receipt or disbursement of funds of the System in an amount not less than the maximum amount of annual debt service on the Bonds and any other debt of the Authority to the Government, with the Authority naming the Government as a co-obligee;

(iv) flood insurance covering all structures forming a part of the System located in any designated special flood or mudslide-prone areas; and

(v) real property insurance (including fire and extended coverage) to the extent of their insurable value, on all above-ground structures, including machinery and equipment housed therein, but not including water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like;

(e) not permit connections to or use of the System or provide any services of the System without making a charge therefor;

(f) if any rates, fees or charges for the use of and for the services furnished by the System shall not be paid within 60 days after the same shall become due and payable, or within such shorter time as may be determined by the County, at the expiration of such period disconnect the premises from the System or otherwise suspend service to such premises until such delinquent rates, fees or charges and any interest, penalties or

charges for reconnection shall have been paid in full; provided, however, that such services shall not be suspended if the State Health Commissioner shall have found and shall certify to the County that suspending such services will endanger the health of the persons occupying such premises or the health of others; and

(g) take all such action as may be necessary to perfect liens upon real estate for the amount of any unpaid rates, fees, or charges described in subsection (f) above or any unpaid connection charges or other charges so that such liens will be binding upon subsequent bona fide purchasers for valuable consideration without actual notice thereof.

Section 6.2. Establishment and Use of Funds; Transfer of Prior Funds.

(a) The following special funds are hereby established and shall be held by the County for the following purposes:

Revenue Fund: All rates, fees and other charges or other revenue derived from the ownership or operation of the System shall be collected and, so far as may be practicable, deposited not less frequently than weekly in the Revenue Fund. Moneys on deposit in the Revenue Fund shall be used only in the manner and priority set out below.

Debt Service Fund: Each month the County shall transfer from the Revenue Fund to the Debt Service Fund an amount equal to the installments of interest or principal and interest, as the case may be, coming due on the Bonds that month. If there should be insufficient moneys in the Revenue Fund and the Reserve Fund for this purpose, the deficit shall be added to the required payment for the month or months next ensuing until such deficit is eliminated. When the balances in the Debt Service Fund and the Reserve Fund shall equal the principal of and interest on the Bonds then outstanding to their respective maturities, no further transfers to the Debt Service Fund shall be required. The County shall pay installments of principal and interest on the Bonds from the Debt Service Fund as the same become due.

Operating Fund: Each month, after making the transfer to the Debt Service Fund require above, the County shall transfer from the Revenue Fund to the Operating Fund such amount, if any, needed to increase the balance in the Operating Fund to the sum of (a) the amount of the Operating Expenses for the current month and (b) the aggregate amount of all checks outstanding and unpaid drawn upon the Operating Fund. Each month the County shall pay from the Operating Fund all Operating Expenses for the then current month.

Reserve Fund: Each month, after making the transfers to the Debt Service Fund and the Operating fund required above, the Authority shall transfer an amount equal to 10% of monthly installments of principal and interest on the Bonds from the Revenue Fund to the Reserve Fund until there has been accumulated and maintained therein an amount equal to twelve (12) such installments, after which no further deposits shall be required except to eliminate any deficiency in the Reserve Fund. The Reserve Fund shall be used, with the prior written approval of the Government, to make transfers to the Debt Service Fund to the extent necessary (a) to pay the principal of and interest on

the Bonds as the same become due in the event the balance on the Debt Service Fund is insufficient therefor, (b) to pay the cost of repairing or replacing any damage to the System, or (c) to pay the cost of extensions or improvements to the System.

Any balance remaining in the Revenue Fund each month, after the transfers to the Debt Service Fund, the Operating Fund, and the Reserve Fund are made as required herein, may be used by the County, with the Government's consent, for any lawful purpose related to the System. All moneys deposited in the Revenue Fund that are not transferred as required above within twelve (12) months of deposit shall be used in the next succeeding month to make prepayments on the Bonds or for any other lawful purpose of the County related to the System as may be approved by the Government.

(b) The Revenue Fund, the Debt Service Fund, the Operating Fund and the Reserve Fund established under the Initial Resolution are hereby transferred into and combined with the Revenue Fund, the Debt Service Fund, the Operating Fund and the Reserve Fund, respectively, established under this resolution.

Section 6.3. Pledge of Funds. All revenues derived by the County from the use of and services furnished by the System and all moneys in the Revenue Fund, the Operating Fund, the Debt Service Fund and the Reserve Fund shall be trust funds and are hereby pledged to the payment of the principal of and interest on the Bonds, subject only to the right to make application thereof to other purposes as provided herein. Both principal and interest on the Bonds are payable solely from the revenues pledged hereby, and nothing in this resolution or in the Bonds shall be deemed to create or constitute an indebtedness of or a pledge of the faith and credit of the Commonwealth of Virginia or any county, city, town or other political subdivision of the Commonwealth.

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 7.1. Security for Deposits. All moneys on deposit with any bank or trust company shall be secured for the benefit of the County and the holders of the Bonds in the manner required by the Virginia Security for Public Deposits Act (Chapter 23, Title 2.1, Code of Virginia of 1950, as amended) or any successor provision of laws.

Section 7.2. Investment of Funds. All moneys in the Revenue Fund, the Operating Fund, the Debt Service Fund and the Reserve Fund not immediately necessary for the purposes thereof may be invested by the County in securities and deposits which are authorized by the laws of the Commonwealth of Virginia for public funds, all of which shall mature or be subject to redemption or withdrawal by the holder or depositor for the purposes of the aforesaid funds. Any such investments shall be considered a part of such funds and the accounts therein and income therefrom and any profit or loss on the sale thereof shall be credited to or charged against such funds and accounts.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Contract with Bondholders. The provisions of this resolution and the Initial Resolution shall constitute a contract between the County and the bondholders for so long as any of the Bonds and interest thereon are outstanding. To the extent that the provisions of this resolution are in conflict with the provisions of the Initial Resolution, the provisions of this resolution shall control.

Section 8.2. Authority of Officers and Agents. The officers and agents of the County shall do all acts and things required of them by this r,-of th

Additional Bonds are not issued during calendar year 1995, the Chairman and Clerk of the Board of Supervisors are hereby authorized and directed to change the series designation to such other year as may be appropriate at the time of its issuance.

Section 8.9. Tax Provisions.

(a) The County hereby covenants that it shall not take or omit to take any action the taking or omission of which will cause the First Additional Bonds to be a "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations applicable to the First Additional Bonds (the "Code"), or otherwise cause interest on the First Additional Bonds to be includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law which may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the First Additional Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the First Additional Bonds from being includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law.

(b) The County hereby covenants that it will not permit the proceeds of the First Additional Bonds to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required to prevent the interest on the First Additional Bonds from being includable in gross income for Federal income tax purposes of the registered owner thereof under existing law, the County need not comply with such covenant.

Section 8.10. Repeal of Resolution. The Board of Supervisors hereby repeals in its entirety the resolution adopted by the Board of Supervisors on February 22, 1993, and entitled "A Resolution Authorizing the Issuance and Sale of a \$402,500 Water and Sewer Revenue Bond, Series of 1993, of Pulaski County, Virginia, as an Additional Bond Pursuant to an Initial Resolution Adopted on August 27, 1990, by the Board of Supervisors and Amending and Supplementing Such Initial Resolution."

Section 8.11. Effective Date. This resolution shall take effect immediately.

Section 8.12. Filing of Resolution. The Clerk of the Board of Supervisors is hereby authorized and directed to file certified copies of this resolution (i) in the office of the County, (ii) in the office of the United States of America,

Farmers Home Administration, as owner of the Initial Bond, and (iii) in accordance with Section 15.1-227.9 of the Act, in the Circuit Court of Pulaski County, Virginia.

4. Highway Matters

a. Follow-up from previous Board meetings

1. Traffic Safety Concerns on Route 683, Alexander Drive & Route 634, Cougar Trail Road

John Thompson, Assistant Resident Engineer of the Virginia Department of Transportation, advised a review of this area had been done and no obvious hazard was determined.

2. Request for Informal Speed Study on Route 690, Shelburne Road

Mr. Thompson reported Route 690 had also been reviewed. He reported no changes had occurred on this route since last viewed and therefore, the speed limit cannot be changed. However, he encouraged residents to advise him or VDOT of any additional information which might help to indicate a lower speed limit was needed such as accidents, etc.

3. Advance Stop Sign Alert at Gate 10 Road, Route 623, approaching Route 600, Belsprings Road

Mr. Thompson reported there was a sign up at the present time in this area.

b. Road Access to Gatewood Dam Area

Mr. Fred Blevins appeared before the Board and requested assistance in limiting access along the road leading to Gatewood Dam and off Old Route 611. The Board referred this matter to staff and the Planning Commission as a possible plat vacation.

c. Request from Chester Semones for Improvements to and Placement of Guardrail on Route 610, Case Knife Road

On the motion of Mr. Vaughan, seconded by Mr. Crawford and carried, the Board of Supervisors requested VDOT to view Route 610, Case Knife Road, for safety improvements and approved adding Route 610 to the six year supplemental plan.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White, Mr. Vaughan, Mr. Sheffey.

Voting no: none.

d. Other Matters

Mr. Sheffey requested VDOT to view Route 698, Barsus Road, for sight distance improvements and possible paving. Mr. Sheffey also requested the citizens along the road be advised of status by VDOT.

5. Citizen Comments

Mr. Wayne Davis of Eugene Street appeared before the Board of Supervisors and presented pictures and a petition signed by residents of Eugene Street requesting pavement of road. Chairman White advised this road was on the six year highway improvement plan and was scheduled for construction in 1997-98.

No other public comments were received.

6. Treasurer's Report

The Board of Supervisors reviewed the monthly trial balance report and Certificates of Deposits, as reported by Treasurer, Rose Marie Tickle.

7. Reports from the County Administrator and Staff

a. Appointments

Action on appointments was deferred to executive session.

b. Regional Jail Authority

Peter Huber, Assistant County Administrator, reported to the Board regarding the regional jail authority. Mr. Huber advised the Board because of the timing of the application for state funding of a regional jail, the General Assembly would not be considering the application until the 1996 Session of the General Assembly. Therefore, the Board did not have to commit to the regional jail until February 1995. Mr. Huber and Sheriff Dobbins reviewed with the Board the pros and cons of a regional jail facility.

c. Additional Requests to Legislators for 1995 General Assembly Session

It was moved by Mr. Vaughan, seconded by Mr. Sheffey and carried, that the following issues be brought to the attention to the county's representatives in the Virginia General Assembly, as well as the Governor of Virginia and the county's representative and senators in the United States Congress:

1. The Board of Supervisors supports allowing authorities created under the Virginia Water and Sewer Authorities Act to become members of other regional authorities created under the same act for the purpose of intergovernmental cooperation and efficiency.
2. The Board of Supervisors supports Federal legislation to allow credit card payments of fees and taxes to local government entities without a processing fee being charged to a local government, but rather such fee being borne by the payer.
3. The Board of Supervisors expresses concern over the proposed elimination of gross receipts tax and possible impact on merchant's capital taxing authority, which proposed changes could reduce county revenues by as much as \$300,000 annually.
4. The Board of Supervisors supports continued state funding of a share of constitutional officers fringe benefits.
5. The Board of Supervisors supports broadening of the incentives available through the Virginia Enterprise Zones.
6. The Board of Supervisors encourages the Virginia General Assembly to maintain the current funding for offices on youth.
7. The Board of Supervisors requests its representatives in the

Virginia General Assembly seek continued funding of regional and local jails by the state of at least one-half of the cost of capital facilities.

8. The Board of Supervisors encourages continued funding, without reduction, for the Virginia Cooperative Extension Service.
9. The Board of Supervisors applauds the efforts of Governor Allen to reduce state spending and increase efficiency of state government service delivery; however, the Board strongly encourages such efficiency not to be achieved by passing mandated costs onto local governments, which costs can only be met through increased property taxes.
10. The Board of Supervisors supports increased state funding for public schools.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White,
Mr. Vaughan, Mr. Sheffey.

Voting no: none.

8. Items of Consent

On the motion of Mr. Crawford, seconded by Mr. Sheffey and carried, the Board of Supervisors approved the following items of consent unless otherwise noted.

Voting yes: Dr. Fariss, Mr. Crawford, Mr. White, Mr. Vaughan,
Mr. Sheffey.

Voting no: none.

a. Minutes of November 28, 1994

The Board approved the minutes of November 28, 1994, as presented.

b. Accounts Payable

The Board approved the accounts payable listing for checks numbered 5167 through 5434.

c. Transfers and Appropriations

The Board approved interoffice transfers and appropriations as presented and filed with the records of this meeting and the Director of Management Services and appropriations as follows:

Schools Resolution #10

REVENUES

3301-28	100% Reimbursed Goals	\$ 15,000.00
---------	-----------------------	--------------

EXPENDITURES

Dept. 6973

501121	Co-Ordinator	\$ 3,000.00
502101	FICA	230.00
503140	Contracted Services	8,800.00
506013	Materials	700.00
505501	Travel	1,500.00
505800	Other	770.00

TOTAL \$ 15,000.00

Schools Resolution #11

REVENUES

3019010500 Property Damages \$ 17,182.00

EXPENDITURES

50810131 Capital Outlay Machinery & Equipment \$ 17,182.00

General Fund Resolution #10

REVENUES

3301-18 Summer Feeding Program \$ 34.00
2404-30 Victims Assistance Grant 8,510.80
2404-33 Emergency Home Repair 6,323.99
1611-08 Youth Council Donations 64.33
1615-01 Library Fees 123.30
1615-07 RIF Program 300.00

TOTAL \$ 15,356.42

EXPENDITURES

5319-3004 Fairview Home - Repairs & Maint. \$ 2,971.20
5329-3009 Summer Feeding Program - Govt. Services 34.00
5338-5606 Victim Assist. - Program Grant 8,510.80
5356-3009 Emergency Home Repair - Purch. Grant Serv. 6,323.99
5360-5413 Pulaski Youth Council - Misc. 25.21
5360-5501 Pulaski Youth Council - Mileage 39.12
7280-5804 County History Publication - Sales Tax 20.62
7301-5604 Library - RIF 300.00
7301-5411 Library - Books 83.80
7301-2012 Library - Tuition 39.50
9104-5804 Erroneous Assessments 1,318.68
9310-5804 Revenue Refunds - Other 926.32
9310-5824 Revenue Refunds - County Decals 231.23

TOTAL \$ 20,824.47

General Fund Resolution #11

REVENUES

2404-07 Litter Control Grant \$ 500.00

EXPENDITURES

4217-505412 Educational and Rec. Supplies \$ 500.00

d. Contracts and Change Orders:

Brick Courthouse Change Order #8

The Board approved Change Order #8 on the Brick Courthouse project for an increase of \$50,278.00.

e. Ratification is requested of:

1. Grant Agreement Amendment with Virginia Department of Housing

The Board approved a grant agreement amendment with the Virginia Department of Housing which results in a deobligation of \$1,216.05 funds on hand.

2. New River Valley Airport Change Order Number 1

The Board approved Change Order # 1 on the New River Valley Airport Corporate Center contract with Caldwell Tanks, Inc. for a reduced cost of \$450.00.