

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

April 12, 2004

At a regular meeting of the Pulaski County Public Service Authority Board of Directors held on Monday, April 12, 2004 at 9:00 a.m. in the Conference Room of the County Administration Building, in the Town of Pulaski, the following members were present: H. W. Huff, Jr., Chairman; Archa Vaughan, Jr., Vice Chairman; Winston Snead, Secretary; Carl Mathes and Doug Warren. Staff members present were: County Administrator, Peter M. Huber; Assistant County Administrator Nancy M. Burchett; Ronnie Nichols, Director of Fleet Maintenance and Operations; and Executive Secretary, Gena Hanks.

1. Oath of Office

Ms. Maetta Crewe, Deputy Clerk of the Pulaski County Circuit Court Clerk's Office, administered the official oath of office to the Public Service Authority Board of Directors. The need for an oath of office was discovered by Bond Counsel as part of the refinancing of existing PSA debt.

2. Presentation from Intern

Mr. Matthew Zaun, student intern of Virginia Tech, presented a "Water and Sewer Report for October 2003 – February 2004" which was prepared by Mr. Zaun. Various questions were directed to Mr. Zaun by the PSA Board members.

Mr. Huber expressed appreciation to Mr. Zaun for his work with the Public Service Authority.

3. Reports from the County Administrator & Staff:

a. Collection Staff Activity

1. Adjustments

On the motion of Mr. Vaughan, seconded by Mr. Mathes and carried, the Board of Directors approved the adjustments in the amount of \$4,051.80 cr.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff

Voting no: none.

2. Inmate Availability Report

Staff reported the inmate count for the month of March 2004 had been three inmates per day.

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3. Balance Due & Lien Reports

The Board reviewed and accepted the balance due report as prepared by staff, a copy of which is filed with the records of this meeting.

4. Work Order Count

The following pickups were reported as pending: Pickups pending: 46 brush; 29 large; 1 tire(s); 2 refrigerator(s).

5. Drop Site Totals & Landfill Tonnage - March

The following reports were distributed:

DROP SITE TOTAL
 FOR THE MONTH OF MARCH

Site	Trips	Tonnage
Dora Highway	57	122.16
Dublin	29	58.64
Fairlawn	18	30.67
Total	104	211.47

County Landfill Tonnage
 (county customers & Refuse Department Haulers)
 (for the Month of March)

Misc Debris(tons)	Appliances	Tires	Brush(tons)
2,417.30	404	2,663.18	133.61

b. Landfill/Drop Center Policy for Apartments

Staff presented a proposed policy to the PSA Board regarding free use of the landfill for owners of apartments.

On a motion by Mr. Mathes, seconded by Mr. Vaughan and carried, the Board adopted the following policy:

"The PSA will allow free disposal to those maintaining current PSA regular or non-user accounts. Thus, if each resident in an apartment or mobile home park is paying individual PSA garbage bills, the owner would have to pay

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for landfill service as a regular customer. However, if the landlord has required each tenant to pay their bills individually, then the landlord would be required to pay tipping fees."

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

c. Insurance Claim Settlement

As requested by the Board at its March meeting, Mr. Huber reported he had negotiated payment by the PSA of \$359.51 for half the cost of repairing the dumpster screening wall at Camelot Apartments.

On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board approved payment of \$359.51 for half the cost of repairing the dumpster screening wall at Camelot Apartments.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

d. Compactor

Mr. Huber reported both Ethan Allen and Camp One have requested placement of a trash compactor at their facilities.

On a motion by Mr. Mathes, seconded by Mr. Vaughan and carried, the Board approved placement of a trash compactor at Ethan Allen and Camp One, at a cost to the PSA of \$10,000 each, with a revenue to the PSA of \$250 per month for each unit, and the result being a 40 month payoff to the PSA, with the benefit of reduced use of existing roll-off containers.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

e. Dublin Water Tank Repainting

Mr. Huber reported the rebidding of the repainting of the exterior of the Dublin Water tank at a cost to the PSA of \$96,000 to \$98,000.

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f. Rolloff Rentals

Mr. Huber reported that the PSA is paying \$16,404 annually for the rental of 19 roll-off containers, or an average of \$863 per year, per container, with a proposal by staff of a purchase by the PSA of 10 new containers for each year at a cost of \$3,000 each, or \$30,000 per year, beginning in the current year. Further, the purchase of containers would pay for themselves in three years and would have an expected life of at least 10 years. Thus, the overall return on the \$30,000 investment would be \$56,337 over a ten year period.

On a motion by Dr. Warren, seconded by Mr. Vaughan and carried, the Board approved the purchase of 10 new containers for each year at cost of \$3,000 each, or \$30,000 per year, beginning in current year, pending budget approval.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

g. Attorney Fees – White Pine Enterprises

Mr. Huber presented an invoice from Attorney Sam Campbell for services provided the PSA.

On a motion by Mr. Mathes, seconded by Dr. Warren and carried, the Board approved payment of an invoice from Mr. Campbell in the amount of \$2,585.25 for services rendered by Mr. Campbell to the PSA in the White Pine Enterprises, Inc. case.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

h. Refinancing

Mr. Huber presented a resolution and related documents authorizing the refinancing of existing PSA/County debt for water and/or sewer lines and reported this refinancing will also place all utility lines in the ownership of the PSA.

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On a motion by Dr. Warren, seconded by Mr. Vaughan and carried, the Board approved the following resolution, and authorized all acts necessary to complete this refinancing:

RESOLUTION OF THE PULASKI COUNTY PUBLIC SERVICE AUTHORITY AUTHORIZING THE ACQUISITION OF CERTAIN FACILITIES FROM PULASKI COUNTY, THE REFUNDING OF EXISTING BONDS OF THE AUTHORITY, AND THE ISSUANCE, SALE AND AWARD OF A NOT TO EXCEED \$4,600,000 REVENUE BOND, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the Pulaski County Public Service 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 by the Board of Supervisors of Pulaski County, Virginia, and by a certificate of incorporation issued February 4, 1970, by the State Corporation Commission of Virginia; and

WHEREAS, the Authority has been authorized to acquire, construct, operate and maintain a water, sewer and solid waste system in Pulaski County, Virginia (the "County"), and to borrow money and to issue its revenue bonds to pay all or part of the cost of such system and to refund any such bonds previously issued by the Authority; and

WHEREAS, the Authority has determined to acquire certain facilities from the County as improvements to the Authority's system and to refund certain prior bonds of the Authority; and

WHEREAS, in order to finance such acquisition and refunding the Authority desires to issue its revenue bond; and

WHEREAS, the Virginia Resources Authority (the "VRA") has offered to purchase such revenue bond 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, has determined to satisfy such terms and conditions and award the bond to the VRA, all in accordance with the terms and provisions of:

- (i) a Financing Agreement (the "Financing Agreement"), between the Authority and the VRA;
- (ii) a Local Bond Sale Agreement (the "Bond Sale Agreement") between the Authority and the VRA; and
- (iii) a Tax Compliance Agreement (the "Tax Compliance Agreement") between the Authority and the VRA

the forms of which documents have been presented to the Authority at this meeting and filed with the Authority's records.

THEREFORE, BE IT RESOLVED BY THE PULASKI COUNTY PUBLIC SERVICE AUTHORITY:

ARTICLE I

Recitals; Definitions

Section 1.1. Incorporation of Recitals. The recitals in the "whereas" clauses above are hereby found and determined to be a part of this resolution.

Section 1.2. Definitions. Whenever used in this resolution, unless a different meaning clearly appears from the context:

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“Act” shall mean the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended).

“Authority” shall mean the Pulaski County Public Service Authority, a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Act by the Board of Supervisors of Pulaski County, Virginia, and by a certificate of incorporation issued by the State Corporation Commission of Virginia on February 4, 1970.

“Bond” shall mean the Authority’s revenue bond in a principal amount not to exceed \$4,600,000, issued pursuant to this resolution.

“County” shall mean Pulaski County, Virginia.

“County Bonds” shall mean the County’s \$212,600 Water and Sewer Revenue Bond, Series of 1992 and \$98,860 Water and Sewer Revenue Bond, Series of 1994.

“Existing Bonds” shall mean the following bonds of the Authority:

1)	\$708,000 Water and Sewer Revenue Bond, Series of 1976;
2)	\$181,500 Water and Sewer Revenue Bond, Series of 1978;
3)	\$3,405,000 Water and Sewer Revenue Bond, Series of 1978B;
4)	\$1,925,800 Water and Sewer Revenue Bond, Series of 1980;
5)	\$306,400 Solid Waste Collection Revenue Bond, Series of 1981; and
6)	\$220,000 Water and Sewer Revenue Bond, Series of 1992.

“Facilities” shall mean certain water or sewer facilities owned by the County, the costs of which were financed by the County Bonds.

“System” means the Authority’s water, sewer and solid waste system.

“VRA” shall mean the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia, its successors and assigns.

ARTICLE II

Acquisition of Facilities and Refunding of Existing Bonds

Section 2.1. The Facilities. In order to improve the System, the acquisition of all or part of the Facilities is hereby authorized. The Chairman or Vice Chairman of the Authority is authorized to determine what, if any, Facilities will be acquired by the Authority to determine the purchase price to be paid for them, so long as such price does not exceed the amount necessary to pay in full the principal of and interest on the County Bonds that financed the Facilities to be acquired. The Facilities acquired by the Authority are hereby found and ordered to be a part of the System as and when they are acquired by the Authority.

Section 2.2. Refunding of Existing Bonds. It is hereby found to be in the best interests of the Authority to refund the Existing Bonds if an interest savings to the Authority will result. The Chairman or Vice Chairman of the Authority is authorized to take all actions necessary or desirable to arrange for such refunding.

ARTICLE III

Authorization, Award, Details, Execution, Form, Registration and Delivery of Bond

Section 3.1. Authorization of Bond. Pursuant to the Act, there is hereby authorized to be issued and sold a revenue bond of the Authority in the aggregate principal amount not to exceed \$4,600,000 (the

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“Bond”), to provide funds, together with other available funds, to finance the cost of the Facilities and to refund the Existing Bonds.

Section 3.2. Award of Bond. After mature consideration of the methods of sale of such bond and current conditions of the municipal bond market, it is hereby determined that it is in the best interest of the Authority and the County for the Authority to accept the offer of the VRA to purchase the Bond upon certain terms and conditions set forth in the Bond Sale Agreement.

Section 3.3. Details of Bond.

(a) The Bond shall be designated “Public Service System Revenue Bond, Series 2004,” provided, however, that each of the Chairman or Vice-Chairman of the Authority is authorized to provide some other designation for the Bond in order to more appropriately identify the Bond. The Bond shall be issued as a fully registered bond without coupons, shall be dated the date of its issuance and delivery, and shall be in a principal amount not to exceed \$4,600,000.

(b) The Bond shall bear interest from its dated date at the per annum rates determined in accordance with the provisions of (c) below. The principal of the Bond shall be payable on the dates and in the principal amounts, and the interest on the Bond shall be payable on the dates, all as determined in accordance with the provisions of (c) below.

(c) Either of the Chairman or Vice Chairman of the Authority is hereby authorized to determine and approve all of the other final details of the Bond, including, but not limited to, its dated date, original principal amount, interest rates and payment dates of interest, the payment dates of principal, and the amount of each principal payment, provided that (i) the original principal amount of the Bond does not exceed \$-4,600,000, (ii) the true interest cost of the Bond does not exceed 7.00% (exclusive of Supplemental Interest (as defined in the Financing Agreement)), and (iii) the due date of the last installment of principal is not later than 35 years after the date of the Bond. Such officer’s determination and approval of the final details of the Bond shall be evidenced conclusively by such officer’s execution and delivery of the Bond in accordance with Section 3.4 hereof.

(d) The Bond shall be subject to redemption or prepayment only to the extent provided in, and in accordance with the provisions of, the Financing Agreement. Interest on the Bond shall be computed on the basis of a year of 360 days and twelve 30-day months.

Section 3.4. Execution of Bond. The Bond shall be signed by the Chairman or Vice Chairman of the Authority and the Authority’s seal shall be affixed thereto and attested by the Authority’s Secretary.

Section 3.5. Form of Bond. The Bond shall be in substantially the following form, with such variations, insertions and omissions as shall be consistent herewith, the execution and delivery of the Bond constituting conclusive evidence that any variations, insertions and omissions are consistent herewith:

No. R-__ \$_____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

Public Service System Revenue Bond, Series 2004

Pulaski County Public Service Authority (the “Authority”), for value received, hereby promises to pay, solely from the revenues described and pledged in the Financing Agreement, as hereafter defined, to the payment hereof, to the order of the Virginia Resources Authority (the “VRA”), or registered assigns, the principal sum stated above in [annual] installments in the amounts set forth on Schedule I attached hereto payable on _____, _____ and annually on _____ thereafter to and including _____, together with interest from the date of this Bond

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on the unpaid installments, payable [semi-annually] on _____ and _____ of each year, commencing on _____, at the rates per annum set forth on Schedule I attached hereto. Principal, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

Interest on this Bond accrues from the Dated Date stated above and is computed on the basis of a year of 360 days and twelve 30-day months.

Subject to the provisions of Section 6.1 of the Financing Agreement dated as of June 1, 2004 (the "Financing Agreement"), between the Virginia Resources Authority ("VRA") and the Authority, so long as this Bond is held by the VRA or the Trustee, as defined in the Financing Agreement, the principal of and interest on this Bond, without the presentation or surrender hereof, is payable by check or draft mailed to the registered owner of this Bond at the address that appears on the 15th day of the month preceding each interest payment date on the registration books kept by the Secretary of the Authority, as registrar (the "Registrar"). Upon final payment, this Bond shall be surrendered to the Registrar for cancellation.

If any date fixed for the payment of principal of or interest on this Bond shall not be a Business Day, as defined below, then payment of principal, premium, if any, and interest need not be made on such date but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such date fixed for the payment of principal or interest. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

If any failure of the Authority to pay all or any portion of any required payment of the principal of or premium, if any, or interest on this Bond results in a withdrawal from the Capital Reserve Fund (as defined in the Financing Agreement) or a drawing on any CRF Credit Facility (as defined in the Financing Agreement), or both, the interest rates applicable to this Bond shall be increased to interest rates sufficient to reimburse the Capital Reserve Fund for any foregone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed by the CRF Credit Provider (as defined in the Financing Agreement) as a result of the drawing on the CRF Credit Facility. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Authority's obligation to pay Supplemental Interest shall commence on the date of withdrawal of funds from the Capital Reserve Fund or drawing on the CRF Credit Facility occasioned by the Authority's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Authority's obligation to pay Supplemental Interest shall terminate on the date on which the Authority remedies such failure to pay by making all payments required but outstanding since the date of such failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in this Bond, VRA has agreed to deliver to the Authority a certificate as to increase in interest rates and the Amount of Supplemental Interest, setting forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.

Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other political subdivision of the Commonwealth of Virginia, including Pulaski County, Virginia (the "County") are pledged to the payment of the principal of or interest on this Bond.

This Bond has been authorized by a resolution duly adopted by the Authority on April 12, 2004 (the "Bond Resolution") and is issued pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the "Act"), and pursuant to the terms of the Financing Agreement, to provide funds, together with other available funds, to refund certain prior indebtedness of the Authority and to finance the cost of acquiring certain water and sewer facilities. Reference is hereby made to the Bond Resolution and the Financing Agreement and any amendments thereto for the provisions, among others, describing the pledge and covenants securing this Bond, the nature and extent of the security, the terms and

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conditions upon which this Bond is issued, the rights and obligations of the Authority and the rights of the bondholder.

Principal of and interest, including Supplemental Interest, if any, on this Bond are payable solely from the revenues of the System pledged thereto in the Financing Agreement and from amounts, if any, received from the County pursuant to the Support Agreement, as defined in the Bond Resolution.

The pledge of revenues securing the payment of this Bond is on parity with the pledge of revenues securing the Authority's \$130,000 Water and Sewer Revenue Bond, Series of 1993 (Zero Interest).

No notation is required to be made on this Bond of the payment of any principal on normal installment payment dates or of any prepayments of principal. HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.

Transfer of this Bond may be registered upon the registration books of the Bond Registrar. Prior to due presentment for registration of transfer the Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and the exercise of all other rights and powers of the owner.

This Bond is not subject to optional prepayment except to the extent and on the terms set forth in the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of and interest on this Bond may be declared immediately due and payable by the holder by written notice to the Authority.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal provided for by this Bond, the Authority shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Authority has caused this Bond to be signed by the Chairman of the Authority, its seal to be affixed hereto and attested by the Secretary of the Authority, and this Bond to be dated _____, 2004.

ATTEST:

[NOT FOR SIGNATURE]

(Seal)

Secretary, Pulaski County Public Service Authority

[NOT FOR SIGNATURE]

Chairman, Pulaski County Public Service Authority

SCHEDULE I

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Payment</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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Section 3.6. Registration and Exchange of Bond. The Secretary of the Authority is appointed to serve as Registrar for the Bond. Transfer of the Bond may be registered upon books maintained for that purpose at the office of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and the exercise of all other rights and powers of the owner.

Section 3.7. Award and Preparation of Bond. After consideration of the methods of sale of the Bond and the current state of the municipal bond market, the Authority hereby determines that it will be in the best interests of the Authority to sell the Bond to the VRA in accordance with the Bond Sale Agreement, at a purchase price to be determined as hereafter provided. Either of the Chairman or Vice Chairman of the Authority is hereby authorized to determine the purchase price to be paid by the VRA for the Bond, **provided that such purchase price shall not be less than 95% of the original principal amount of the Bond**, such determination to be conclusively evidenced by such officer's execution of the Bond Sale Agreement with the VRA for the purchase of the Bond. The Chairman and Vice Chairman are hereby authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms.

Section 3.8. Disposition of Proceeds. All proceeds received by the Authority from the sale of the Bond shall be paid to, or at the direction of, the Chairman or Vice Chairman of the Authority who shall promptly apply, or caused to be applied, such proceeds in accordance with the following:

- a. an amount equal to the purchase price of the Facilities shall be paid to the County upon acquisition of the Facilities by the Authority;
- b. the balance of such proceeds shall be used to refund the Prior Bonds and to pay the costs of issuing the Bond.

ARTICLE IV

Financing Documents and Revenues

Section 4.1. Authorization of Financing Documents and Other Matters. The forms of the following documents (the "Financing Documents"):

- (i) the Financing Agreement;
- (iv) the Bond Sale Agreement;
- (v) the Tax Compliance Agreement; and

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- (vi) the Support Agreement between the Authority, the VRA and the Board of Supervisors of Pulaski County (the "Support Agreement")

have been presented to the Authority at this meeting and are approved. Each of the Chairman, Vice-Chairman, Secretary and any other officer of the Authority is authorized to execute and deliver on behalf of the Authority the Financing Documents in substantially the forms submitted to the Authority, with such changes, insertions or omissions as may be approved by the officer executing them, whose approval shall be evidenced conclusively by the execution and delivery of the Financing Documents. The Chairman, the Vice-Chairman, the Secretary and any other officer of the Authority are authorized to execute and deliver on behalf of the Authority such other instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Bond or the Financing Documents, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

Following the pricing of the corresponding VRA Bonds, the Chairman or Vice Chairman shall evidence his approval of the final terms and purchase price of the Bond by executing and delivering to VRA the Bond Sale Agreement, which shall be in substantially the form presented to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman. The actions of the Chairman or Vice Chairman in determining the final terms and the purchase price of the Bond shall be conclusive, and no further action shall be necessary on the part of the Authority.

As set forth in the Financing Agreement, the Authority agrees to pay such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the Capital Reserve Fund. The principal of and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America.

Section 4.2. Pledge of Revenues. To the extent provided in the Financing Agreement, revenues derived from the System shall be pledged to the payment of the Bond.

ARTICLE V

Miscellaneous

Section 5.1. Contract with Bondholder. The provisions of this resolution shall constitute a contract between the Authority and the holder of the Bond for so long as the Bond is outstanding.

Section 5.2. Authority of Officers and Agents. The officers and agents of the Authority shall do all acts and things required of them by this resolution, the Bond, the Financing Documents, and the Act for the complete and punctual performance of all the terms, covenants and agreements contained therein.

Section 5.3. Limitation of Rights. Nothing expressed or mentioned in or to be implied from this resolution or the Bond is intended or shall be construed to give to any person or company other than the parties hereto and the holder of the Bond any legal or equitable right, remedy or claim under or in respect to this resolution or any covenants, conditions and agreements herein contained; this resolution and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holder of the Bond as herein provided.

Section 5.4. Limitation of Liability of Officials of Authority. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Authority in his individual capacity, and neither the members of the Authority nor any officer thereof executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee or agent of the authority shall incur any personal liability with respect to any other action taken by him pursuant to this resolution or the Act, provided he acts in good faith.

Section 5.5. Trust Funds. In accordance with Section 15.2-5140 of the Act, any officer to whom, or any bank, trust company or other fiscal agent to which, moneys received pursuant to the Act are paid

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shall act as trustee of such moneys and shall hold and apply the same for the purposes provided in the Act, subject to such regulations as this resolution or the Financing Agreement may provide.

Section 5.6. Conditions Precedent. Upon the issuance of the Bond, all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this resolution to happen, exist and to be performed precedent to or in the issuance of such Bond shall have happened, exist and have been performed.

Section 5.7. Severability. If any court of competent jurisdiction shall hold any provision of this resolution to be invalid or unenforceable, such holding shall not invalidate any other provision of this resolution.

Section 5.8. Successors and Assigns. All the covenants, stipulations, promises and agreements of the Authority contained in this resolution shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 5.9. Headings. Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

Section 5.10. Filing of Resolution. The Secretary of the Authority is directed to file a certified copy of this resolution with the Circuit Court of Pulaski County, Virginia, pursuant to Section 15.2-5126 of the Act.

Section 5.11. Effective Date. This resolution shall take effect immediately.

* * *

The undersigned Secretary of the Pulaski County Public Service Authority (the "Authority), hereby certifies that the foregoing constitutes a true and correct copy of a resolution adopted at a meeting of the Authority held on April 12, 2004. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. I further certify that the minutes of such meeting reflect the attendance of the members and the voting on the foregoing resolution as follows:

<u>Members</u>	<u>Attendance</u>	<u>Vote</u>
H.W. Huff, Jr.	Present	Yes
Archa Vaughan, Jr.	Present	Yes
Winston Snead	Present	Yes
Carl Mathes	Present	Yes
Doug Warren	Present	Yes

2004. **WITNESS MY HAND** and the seal of the Pulaski County Public Service Authority, this 12th day of April,

(SEAL)

Secretary, Pulaski County Public Service Authority

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren, Mr. Vaughan, Mr. Huff.

Voting no: none.

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i. Polyester Park Water & Sewer Plans

Mr. Huber reported Shawn Utt had obtained approval by Rural Development for the PSA to proceed with the installation of utility lines in Polyester Park prior to completion of preliminary issues for other parks. Mr. Huber presented a required letter requesting authorization by the PSA to begin incurring expenses.

Mr. Huff acknowledged receipt of a letter from Jim Whited regarding this matter.

On a motion by Mr. Mathes, seconded by Mr. Snead and carried, the Board approved issuance of the letter and all other acts necessary to expedite the start of construction on this project.

Voting yes: Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Vaughan, Mr. Huff.

Voting no: none.

j. Information Items

1. Verizon Facilities Damages

Mr. Huber presented a damage claim from Verizon for damage by the PSA of a 100 pair fiber cable and reported the claim is legitimate and has been turned over to the PSA insurance company. Mr. Huber reported the damage was done while repairing a water line break.

2. Heron's Landing Streetlight Billing

Mr. Huber reported staff had discovered that the PSA was delinquent in sending out a statement of costs to the Heron's Landing Homeowners Association and they have been delinquent in prepaying the PSA for the cost of the lights.

By concensus, the Board authorized staff to proceed with requesting property owners to make payment immediately on the unbilled street lighting expenses.

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3. Status Report on Rerouting of Garbage Trucks

Mr. Huber presented a report prepared by Dave Tilson providing a comparison of the various garbage routes, a copy of which is filed with the records of this meeting.

4. Sewer Service to I-81/Rt. 99, Exit 94, Interchange

Staff reported of a meeting held with Mr. Anil Brahmbhatt regarding his continued interest in obtaining public sewer service to the Days Inn and that PSA involvement may be necessary in the event the PSA seeks Rural Development or Economic Development Administration grants for this line since it would result in increased employment.

The Board authorized staff to proceed with this project, to include requiring a 100% guarantee from Mr. Brahmbhatt.

5. NRRA Public Hearing Notice

Mr. Huber presented a rate hearing notice being published by the New River Resource Authority and reported there are no advertised changes in municipal rates.

6. 2004 Insurance Program Review

Mr. Huber presented an independent review of the PSA's insurance coverage recommending continuation of existing service and coverage, a copy of which is filed with the records of this meeting.

7. Sewer Discharge Permit

Mr. Huber presented correspondence which had been sent to Volvo concerning the foaming problem occurring at the Pepper's Ferry Regional Wastewater Treatment Plant.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES

April 12, 2004

k. Current Authorized Projects & Items Under Review

1. Public Water & Sewer Service to Mobile Home Parks (engineering underway)
2. Sewer Service to Rolling Hills, Vista, Orchard Hills, and Highland Park Subdivisions (pending Rural Development funding)
3. Painting Water Tanks

4. Approval of Minutes of March 8, 2004

On a motion by Mr. Mathes, seconded by Mr. Vaughan and carried, the Board approved the minutes of the March 8, 2004 meeting.

Voting yes: Mr. Vaughan, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Huff.

Voting no: none.

5. Accounts Payable

On a motion by Dr. Warren, seconded by Mr. Mathes and carried, the Board approved accounts payable as provided on checks numbered 1885 through 1952, subject to audit.

Voting yes: Mr. Vaughan, Mr. Snead, Mr. Mathes, Dr. Warren,
Mr. Huff.

Voting no: none.

6. Other Matters

Mr. Huber advised of potential interest by a food processing company in locating in Pulaski County and requested the Board's guidance on offering incentives by the PSA related to water and sewer. By concensus, the Board authorized staff to proceed with presenting a proposal of a "take or pay" contract at cost, plus 11 percent.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY MINUTES
April 12, 2004

7. Adjournment

The Board, by consensus, adjourned its meeting. The next regular meeting of the Pulaski County Public Service Authority Board of Directors was scheduled for Monday, May 10, 2004 at 9:00 a.m. at the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, Virginia.

H. W. Huff, Jr., Chairman

Winston Snead, Secretary