

AT A MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS
HELD ON THURSDAY, JANUARY 4, 2007, IN THE BOARD ROOM OF THE
WOODWARD BUILDING, SALUDA, VIRGINIA:

Present: Kenneth W. Williams, Pinetop District
Fred S. Crittenden, Pinetop District
John D. Miller, Jr., Saluda District
Robert A. Crump, Saluda District
Wayne Jessie, Sr., Jamaica District

Charles M. Culley, Jr., County Administrator
Marcia Jones, Assistant Administrator
Michael T. Soberick, County Attorney

CALL TO ORDER

This being the annual organizational meeting of the Board, the meeting was called to order at 9:00 A.M. by Mr. Culley. The meeting was opened with prayer and pledge of allegiance by Mr. Culley.

The floor was opened for nominations for the position of chairman. Mr. Miller was nominated as chairman by Mr. Crump. There being no others, the floor was closed for nominations by motion of Mr. Jessie, seconded by Mr. Williams. The motion to elect Mr. Miller as chairman carried by a vote of 4-0-1 with Mr. Miller abstaining.

Mr. Jessie was nominated as vice chairman by Mr. Crump. There being no other nominations, the floor was closed for nominations by Mr. Williams. The motion to elect Mr. Jessie as vice chairman carried by a vote of 4-0-1, with Mr. Jessie abstaining.

The motion to continue meeting on the first Tuesday of each month at 9:00 AM, and the third Tuesday of each month at 7:30 PM, in the Board Room of the Woodward Building, was made by Mr. Crump, seconded by Mr. Jessie and carried unanimously.

Mr. Miller took the Chair and added his appreciation for being elected to serve as chairman.

MINUTES

It was noted that a correction had been made to the vote following the closed session on December 19th, to indicate Mr. Jessie's opposition to the action. The motion to approve the minutes as corrected of the December 5th and December 19th meetings was made by Mr. Jessie seconded by Mr. Crittenden and carried unanimously.

DISBURSEMENTS

The motion to approve the disbursements as presented was made by Mr. Crump, seconded by Mr. Jessie and carried unanimously. Checks numbered 57282 through 57359 totaling \$230,099.73 were disbursed as approved.

CONSTITUTIONAL OFFICERS

Sheriff

Sheriff Abbott reported that he had concerns regarding the residents of the group home at Warner because he had been told by the director of the Community Services Board that none of the residents would be threat to society. The Sheriff's Department had recently been called to the group home because of an incident involving a resident who had previously been charged with murder. The Sheriff had also been involved in returning a juvenile that had escaped from the detention center in Williamsburg and fled to Oregon.

HIGHWAY MATTERS

Resident Engineer, Marcie Parker was present for the meeting and updated the members on the following: guardrail at the elementary school – being reviewed by traffic engineering department; waiting on report about turn lanes at Saluda intersection; Route 631 erosion has been incorporated into planned work; traffic engineering is looking at the road markings at intersection of Route 3 and 622; paving at Route 628 is temperature dependent and the department has also found it difficult to get a contractor to do state work; the posts have been removed at Grafton Church and need to be replaced.

Regarding outfall ditches, the jail work crews clean ditches in Mathews County three (3) days per week in the months of December through March, leaving one day per week for the work crew to take care of other projects. Mr. Crittenden reported that he receives calls all the time from citizens with drainage complaints. One example is at the library in Deltaville, where he said the culvert was installed wrong and is higher than the ditch line. Mr. Purcell of VDOT explained that when work was being done in the library area VDOT had offered to open the ditch for drainage, however, the library board was firmly against it. Mr. Crittenden stated that he would work with the Library Board to see if they were willing to work with VDOT to improve the drainage. Regarding other drainage improvements, Mrs. Parker reported that Mathews County developed a list of roads that needed improvements and is involved in a revenue sharing program to help pay for the cost of the ditch cleaning. There is a local match of 50% required. In many cases, VDOT does not have the right of way over the outfall ditch and cannot go in and clean them out unless it impacts the road; it is up to the landowner to maintain the ditch. Mr. Purcell stated that he would work on a list so that the County can contact property owners to help obtain the right of way.

CONSTITUTIONAL OFFICERS, continued

Treasurer

Mrs. Bray reported that 90% of personal property taxes had been collected and 97% of real estate taxes had been collected. Mrs. Bray and Mrs. Stephenson have been working on a revision to the County license ordinance (for decals) that they will submit to Mr. Soberick for his review.

Commissioner of Revenue:

There was no report from Mrs. Stephenson.

LANDFILL MATTERS

Mr. Brian Thacker, an adjoining property to the landfill, was present to request the Board consider running a water line to connect his home to the private deep well that is on land leased by the Virginia Peninsula Public Service Authority (VPPSA), adding that this was a less expensive option to his request that the Board install a deep well on this property. Mr. Thacker was informed that neither of these options would relieve the Board of a requirement to continue monitoring the well that is closest to Mr. Thacker where it is believed that gas migration is causing elevated levels of constituents. Mr. Crump noted that the County may own the landfill property, but VPPSA owns the well. Mr. Thacker commented that VPPSA has denied his request. Mr. Thacker stated that he was not made aware of there being problems with the landfill when he purchased the property in 2005. Mr. Culley stated that the landfill closure and post-closure reports are public record and available from the County and at the Department of Environmental Quality; nothing has been hidden. Mr. Thacker agreed that he is not having problems with his well at this time, but will not agree to the County's installation of a sentinel well between his well and the closest monitoring well because he stated that it would devalue his property and that he would have to disclose it should he try to sell his property.

No further action was taken on Mr. Thacker's request. Joyce Engineering will continue to monitor the property and wells as required by the Department of Environmental Quality.

HISTORICAL MARKER

Dr. Richard Shores was present to request the Board's approval to enter an agreement for placement of a historical marker along the front wall of the Courthouse Complex. The marker would be installed by the Department of Transportation. The motion to approve the marker with placement as close to the Oakes Landing Road intersection as feasible was made by Mr. Williams, seconded by Mr. Crump and carried unanimously.

ADDITIONAL INFORMATION REGARDING GROUP HOMES

Mr. Culley presented additional information regarding the group home in Warner. The Code of Virginia was changed several years ago to make group homes a permitted use in any residential zone, rather than having them only allowed as a special exception. The County cannot add additional restrictions to this type of use.

COMMITTEE REPORTS:

Mr. Williams: attended Middle Peninsula Planning District Commission meeting – the schedule for legislative matters was discussed; a grant has been obtained that will be used to contract with a lobbyist for six months.

Mr. Jessie: Also attended several Social Services Board meetings; Mr. Soberick was asked to review the Job Assistance contract; the Sports Complex Committee is discussing the need for lights at the soccer field.

Mr. Crittenden: One issue being discussed by the Jail Board is the corrosion of water pipes.

Mr. Miller: met with legislators at the Planning District Commission meeting

COMMITTEE APPOINTMENTS

Mr. Miller stated that Board member appointments to various committees would remain the same for 2007 unless a member wishes to change.

APPOINTMENTS

No action was taken regarding appointments to the Dragon Run Steering Committee or the Airport Committee.

APPROPRIATION REQUEST

The motion to approve the appropriation of the balance of funds (total \$125,000) loaned by the Industrial Development Authority was made by Mr. Crump, seconded by Mr. Jessie and carried unanimously: FROM: 3-49-24040-0011, \$10,461.00; TO: 4-49-10010-7016.

VACO ISSUES

The Board endorsed support of enabling legislation that would allow removal of an elected official if he is charged with a crime.

Mr. Crittenden commented that the auditors for the Regional Jail had recommended a stringent set of rules for credit card use that should also be implemented for the County.

JAMESTOWN ANNIVERSARY FESTIVITIES

Counties have been asked to host buses that will be used to transport visitors from Richmond to Jamestown during the National Association of Counties conference. Mrs. Jones will look into what is involved.

RESOLUTION – BOND REFINANCING

The motion to approve a resolution for the VACo refinancing package, provided there is a savings of a minimum of 3%, was made by Mr. Jessie, seconded by Mr. Crump and carried unanimously. It was noted that Dan Siegal, counselor for the Industrial Development Authority has reviewed the document.

RESOLUTION APPROVING A PLAN OF REFINANCING WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF MIDDLESEX COUNTY, VIRGINIA, AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN CONNECTION THEREWITH

WHEREAS, at the request of the Board of Supervisors (the “Board”) of Middlesex County, Virginia (the “County”), the Industrial Development Authority of Middlesex County, Virginia (the “Authority”) has previously issued its \$12,305,000 Lease Revenue Bonds, Series 2002 (the “2002 Bonds”) in order to (i) finance a portion of the costs of the acquisition, construction, renovation, equipping and furnishing of new county courthouse facilities and the completion of the acquisition, construction, renovation and equipping of the new county high school for the County, (ii) refinance certain capital financings for the County, including the refunding of a subject to appropriation note of the County and the refinancing of an equipment lease purchase financing for emergency dispatch equipment, (iii) fund a debt service reserve fund for the 2002 Bonds, and (iv) provide for the payment of the issuance costs of the 2002 Bonds (collectively, the “Project”).

WHEREAS, the 2002 Bonds were issued by the Authority pursuant to an Indenture of Trust, dated as of April 1, 2002 (the “2002 Indenture”), between the Authority and Chesapeake Bank, Kilmarnock, Virginia (the “Local Trustee”), and in connection with the issuance of the 2002 Bonds and the undertaking of the Project, the County and/or the Authority also entered into, without limitation, a Ground Lease dated as of April 1, 2002, between the County and the Authority (the “2002 Ground Lease”), a Financing Lease, dated as of April 1, 2002 between the Authority and the County (the “2002 Financing Lease”), an Assignment of Rents and Leases dated as of April 1, 2002 from the Authority to the Local Trustee (the “2002 Assignment of Rents and Leases”), and an Option Agreement dated as of April 1, 2002 between the Authority and the County (the “2002 Option Agreement”) (collectively, the 2002 Indenture, the 2002 Ground Lease, the 2002 Financing Lease, the 2002 Assignment of Rents and Leases and the 2002 Option Agreement, together with any other documents executed in connection with the 2002 Bonds, are collectively referred to as, the “2002 Financing Documents”).

WHEREAS, the County has submitted an application to the Virginia Municipal League / Virginia Association of Counties Finance Program (the “VML / VACo Program”), pursuant to which the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia (the “Joint IDA”) finances or refinances various governmental projects from the proceeds of its revenue bonds (the “Authority’s Bonds”), in order to redeem, refund and/or defease the portion of the Series 2002 Bonds maturing on or after August 1, 2013 (the “Refunded Bonds”), if such refinancing, including the costs of

issuance to be incurred in connection with such refinancing, will result in a level of cost savings acceptable to the County (the "2007 Refinancing").

WHEREAS, the 2007 Refinancing would be effectuated through the issuance by the Authority of its Lease Revenue Bond, Series 2007, or other appropriate series designation (the "2007 Bond"), as an "Additional Bond" pursuant to the terms and conditions of the 2002 Indenture.

WHEREAS, drafts of the following proposed documents were available at this meeting in connection with the undertaking of the 2007 Refinancing and the issuance and sale of the 2007 Bond (collectively referred to as, the "2007 Financing Documents"):

- (a) Loan Agreement (the "Loan Agreement") between the Joint IDA and the Authority, and acknowledged, consented and agreed to by the County (the "Loan Agreement"), including the form of the 2007 Bond;
- (b) A First Supplement to the 2002 Indenture; and
- (c) A First Amendment to each of the 2002 Ground Lease, the 2002 Financing Lease (as amended, the "Financing Lease"), the 2002 Assignment of Rents and Leases and the 2002 Option Agreement, in order to reflect the issuance of the Series 2007 Bond, the refunding of the Refunded Bonds, and the transactions contemplated thereby.

WHEREAS, the 2007 Bond shall be payable solely from and secured by a pledge of lease payments made by the County under the Financing Lease and the Authority's rights under 2002 Financing Documents, as amended or supplemented by the 2007 Financing Documents. The obligation of the County to make lease payments under the 2007 Financing Documents shall be subject to annual appropriations by the Board of Supervisors of the County (the "Board"), which is under no legal obligation to make such appropriations. Neither the 2007 Bond nor any other 2007 Financing Document will constitute a debt of the Commonwealth of Virginia or any political subdivision thereof, including the County and the Authority, or a pledge of the faith and credit or taxing power of the Commonwealth of Virginia, the County or the Authority.

WHEREAS, the Board is considering the 2007 Refinancing if such financing results in not less than a 3% net present value cashflow (all inclusive) savings for the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MIDDLESEX COUNTY, VIRGINIA:

1. The Board hereby requests the Authority to issue the 2007 Bond in order to effectuate the redemption, refunding and/or defeasance of the Refunded Bonds in accordance with the terms and conditions of this resolution. The property secured by the 2002 Financing Documents, as amended by the 2007 Financing Documents, is hereby declared to be essential to the efficient operation of the County, and the Board states that it is, and is anticipated to continue to be, essential to the operation of the County during the term of the Financing Lease. The Board, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments under the Financing Lease and hereby recommends that future Boards do likewise during the term of the Financing Lease.
2. The Chairman or Vice Chairman of the Board, and the County Administrator of the County (each, an "Authorized Representative") is hereby authorized and directed to execute the 2007 Financing Documents to which the County is a party, which shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by an Authorized Representative, his or her execution to constitute conclusive evidence of approval of any such completions, omissions, insertions and changes. Each Authorized Representative is also authorized to cause such of the 2007 Financing Documents as are necessary to be recorded in the Clerk's Office of the Circuit Court of Middlesex County.
3. The 2007 Bond shall be sold to the Joint IDA on terms as shall be satisfactory to an Authorized Representative and the Authority; provided, however, that (a) the aggregate principal amount of the

2007 Bond shall not exceed \$10,000,000, (b) the issuance of the 2007 Bond shall result in net present value cash flow (all inclusive) savings to the County of not less than 3% in comparison to the scheduled debt service payments on the Refunded Bonds, and (c) the 2007 Bond shall mature no later than December 31, 2033. The approval of the final terms and purchase price of the 2007 Bond shall be evidenced by the execution and delivery of the Financing Lease by an Authorized Representative, and no further action shall be necessary on the part of the County.

4. The County covenants that it shall not take or omit to take any action the taking or omission of which shall cause the 2007 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations thereunder, or otherwise cause interest on the 2007 Bond to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the 2007 Bond. The County shall pay from its legally available general funds any amount required to be rebated to the United States of America pursuant to the Code.

5. Each Authorized Representative and such other officers of the County as are requested are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2007 Bond and the execution and delivery of the 2007 Financing Documents, including without limitation (a) the execution and delivery of a tax and non-arbitrage certificate setting forth, among other things, the expected use and investment of the proceeds of the 2007 Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the 2007 Bond, (c) providing for the County to pay any such rebate amount, (d) filing Internal Revenue Service Form 8038-G, (e) execution of such agreements or certificates as may be necessary to comply with any continuing disclosure requirements, (f) the execution and delivery of such escrow, investment, defeasance or similar agreements as may be necessary to effectuate the redemption, refunding or defeasance of the Refunded Bonds, and (g) taking all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2007 Bond and the undertaking of the 2007 Refinancing. The foregoing shall be subject to the advice, approval and direction of LeClair Ryan, A Professional Corporation, as bond counsel for the County in connection with the issuance of the 2007 Bond.

6. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate

7. All costs and expenses in connection with the undertaking of the Project and the issuance of the 2007 Bond, including the Authority's fees and expenses and the fees and expenses of bond counsel and counsel for the Authority shall be paid from the proceeds of the 2007 Bond or legally available funds of the County. If for any reason the 2007 Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor. To the fullest extent permitted by law, the County shall indemnify and hold harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the 2007 Refinancing, the application submitted by the County, or the issuance of the 2007 Bond.

8. The County authorizes and consents to the inclusion of information with respect to the County contained in the near final and final Official Statement or similar offering document(s) prepared in connection with the offering and sale of the revenue bonds to be issued by the Joint IDA in connection with the transactions contemplated hereby.

9. All other acts of an Authorized Representative and other officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the 2007 Bond, the undertaking of the 2007 Refinancing and the redemption, refunding and/or defeasance of the Refunded Bonds are hereby approved and ratified.

10. To the extent applicable and necessary, the County adopts this Resolution as a declaration of official intent for purposes of Treasury Regulations Section 1.150-2.

11. This Resolution shall take effect immediately.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors (the "Board") of Middlesex County, Virginia (the "County"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution duly adopted by a majority of the members of the Board present and voting during the meeting duly called and held on January 4, 2007, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	Yes	<u>Voting</u>	
				<u>No</u>	<u>Abstaining</u>
Fred S. Crittenden	X	_____	X	_____	_____
Kenneth W. Williams	X	_____	X	_____	_____
Wayne H. Jessie, Sr.	X	_____	X	_____	_____
John D. "Jack" Miller, Jr.	X	_____	X	_____	_____
Robert A. Crump	X	_____	X	_____	_____

The Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS my signature and the seal of Middlesex County, Virginia this January 4, 2007.

Clerk of the Board of Supervisors
Middlesex County, Virginia

(SEAL)

CLOSED MEETING

The motion to convene in closed session to discuss matters regarding land acquisition and consultation with legal counsel regarding the Courthouse, per Code of Virginia §2.1-3711.A7 was made by Mr. Crump, seconded by Mr. Jessie and carried unanimously. Upon reconvening in open session, the following motion was made by Mr. Crump, seconded by Mr. Crittenden and carried unanimously:

- To the best of the members' knowledge only public business matters lawfully exempted from open meeting requirements under Code of Virginia §2.1-3711.A7

as identified in the motion by which the Closed Meeting convened were heard, discussed, or considered by the public body.

Action:

There was no action as a result of the closed meeting.

OLD BUSINESS

Wastewater Treatment

Mr. Culley noted that the hold up for plant design has been the land purchase and with the additional survey work toward the high school. Treatment capacity for the new system will be 125,000 gallons, a better and bigger plant design than was planned before. The recent purchase of property will allow the County to expand the plant if necessary and still provide an adequate buffer.

Puller Center Repairs

The motion to approve work by the Allen Group at a cost of \$8,120.00 for repairs at the Puller Center was made by Mr. Crittenden, seconded by Mr. Williams and carried unanimously. Work will include removing portions of the existing walls, and replacing it with plastic wood sheets and painting. It is hoped that this will help prevent future damage due to flooding.

ADJOURN

As there was no further business, the meeting was adjourned by motion of Mr. Crump, second by Mr. Jessie and carried unanimously.

John D. Miller, Jr., Chairman
Board of Supervisors