

**FLUVANNA COUNTY BOARD OF SUPERVISORS
REGULAR MEETING MINUTES
Circuit Court Room
September 19, 2012, 7:00 p.m.**

MEMBERS PRESENT: Shaun V. Kenney, Chairman
Bob Ullenbruch, Vice-Chairman
Donald W. Weaver
Joe Chesser
Mozell H. Booker

ALSO PRESENT: Steven M. Nichols, County Administrator
Fred Payne, County Attorney
Mary L. Weaver, Clerk to the Board of Supervisors

CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Chairman Kenney called the meeting of September 19, 2012, to order at 7:00 p.m., in the Circuit Courtroom in Palmyra, Virginia; and the Pledge of Allegiance was recited, after which, Chairman Kenney called for a moment of silence.

COUNTY ADMINISTRATOR'S REPORT

Mr. Nichols reported on the following topics:

- Introduced Mr. Joe Rodish, the new Purchasing Officer.
- Explained the breakdown in Board of Supervisors Contingency funds (\$250K)
 - General: \$100,000 and Fire/EMS Contracting: \$150,000
- Gave the Board a copy of the County Public Facilities Map Flyer to be distributed at Old Farm Day.
- Received Letter from Calvary Chapel requesting to have an invocation at the beginning of the Board meetings.
- Showed Real Estate Taxes Chart with potential Equalization Rates based on new valuations.
- Provided VDOT update on Rolling Road, Cunningham Meadows Dr. and Route 53, Academy Road, Wright Court.
- Reviewed ongoing Projects and Supervisor requests.
- County Administrator Out of Office Sep 27-28, Ms. Horlacher will be serving as Acting County Administrator.

PUBLIC COMMENTS #1

Chairman Kenney opened the floor for the first round of public comments.

- Bridgett Madison, Fork Union District – addressed the Board in regards to conducting the School Study updates at the evening meetings so more public could attend.
- Stephanie Frazier, Palmyra District – addressed the Board in regards to the careless actions of the Board. Request in the future the Board to be upfront, predictable, and work with the School Board instead of against them. Represent our community.
- Minor Eager, Palmyra District – addressed the Board in regards to appropriations needed.
- Paul Seehaver, Rivanna District – addressed the Board in regards to Board members spending time in the classrooms and riding the school buses. Reconsider position took with underfunding schools.
- Linda Fletcher, Cunningham District – addressed the Board in regards to supporting the school system.
- Thelma Soto, Fork Union District – addressed the Board in regards to the importance of JABA.

With no one else wishing to speak, Chairman Kenney closed the first round of public comments.

PUBLIC HEARING

SUP 12-05 Robert S. Hale-MacKinnon – Educational Facility – A request for a Special Use Permit (SUP) to allow for an educational facility with respect to 5.193 acres of Tax Map 23, Section A, Parcel 48. The property is zoned A-1 (Agricultural, General) and is located on the north side of

Perkins Road (State Route 623) near its intersection with Kents Store Way (Route 659). The property is located in the Columbia Election District and is within the Rural Preservation Planning Area. Mr. Steven Tugwell, Senior Planner addressed this request. Mr. Robert Hale-MacKinnon, applicant, spoke in reference to this request.

Chairman Kenney opened the floor for public hearing.

- Lee Lynchfield, Columbia District – spoke in opposition of this request, concerned about safety.
- Sam Schulman, Columbia District – spoke in opposition of this request, will change the nature of the corridor.
- Malcom Perkins, Jr., Columbia District – spoke in opposition of this request, concerned about watershed impact.
- Stacy Stinchfield, Columbia District – spoke in opposition of this request, concerned about septic system.
- Patricia Eager, Palmyra District – spoke in support of this request.
- Roberta Ashmore, Palmyra District – addressed the Board in regards to the qualifications of teaching a Montessori School.

With no one else wishing to speak, Chairman Kenney closed the public hearing.

Mr. Robert Hale-MacKinnon answered questions addressed by the Board.

After Board discussion the following motion was made.

MOTION:

Mr. Ullenbruch moved to approve the SUP 12:05 with respect to 5.193 acres of Tax Map 23, Section A, Parcel 48, with the conditions below:

1. Determination of adequate sewer systems for the users of the facility by the Fluvanna County Health Department.
2. Approval of the entry to State Route 623 and any improvements required thereof by the Virginia Department of Transportation.
3. The applicant shall work with planning staff to ensure the building's exterior materials are complimentary to rural character of the community.
4. Any outdoor lighting will not be directed toward adjacent properties and shall be in compliance with Article 25 of the Fluvanna County Zoning Ordinance (*Outdoor Light Control*).
5. Prior to development of the site, a site development plan that meets the requirements of the Fluvanna County Zoning Ordinance, must be submitted for review and approval.
6. The maximum number of students enrolled at this facility during the academic school year shall be twelve (12).
7. The regular school hours of operation shall be 8am to 3:30 pm Monday through Friday.
8. The Board of Supervisors, or representative, reserves the right to inspect the business for compliance with these conditions at any time.
9. Under Sec. 22-17-4 F (2) of the Fluvanna County Code, the Board of Supervisors has the authority to revoke a Special Use Permit if the property owner has substantially breached the conditions of the Special Use Permit.

Mrs. Booker seconded. The motion carried, with a vote of 3-2. AYES:

Ullenbruch, Kenney, and Booker. NAYS: Chesser and Weaver. ABSENT: None.

Approval for School Bond Changes - Proposed issuance of one or more series of general obligation school bonds of Fluvanna County in the estimated aggregate maximum principal amount of \$5,000,000 (the "Bonds"). Proceeds from the sale of the Bonds will be applied to (1) the repayment of the outstanding principal amount of (A) a \$2,704,077 Series 2010 Revenue Note and (B) a \$1,900,000 Series 2007 Revenue Bond (collectively, the "Prior Obligations"), (2) pay accrued interest and premium, as applicable, on the Prior Obligations, and (3) pay costs of issuance of the Bonds. The Prior Obligations were issued by the Economic (formerly Industrial) Industrial Development Authority of Fluvanna County, Virginia for the purpose of financing or refinancing the costs of acquisition, construction and equipping of various capital improvements for the County's school system, including without limitation the construction of

a new high school. Mrs. Barbara Horlacher, Director of Finance, addressed this request. Chairman Kenney opened the floor for public hearing.

With no one wishing to speak, Chairman Kenney closed the public hearing.

MOTION:

Mr. Ullenbruch moved to approve the resolution entitled "Resolution authorizing the issuance of not to exceed \$5,000,000 general obligation school bonds of the County of Fluvanna Virginia, series 2012 to be sold to the Virginia Public School authority and providing for the form and details thereof".

Mr. Weaver seconded. The motion carried, with a vote of 5-0. AYES: Ullenbruch, Kenney, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

ACTION MATTERS

None

PRESENTATIONS

Fire and EMS Study Report – Mr. Kenneth Brown, Virginia State Firefighters Association, reviewed with the Board their findings and recommendations from the County of Fluvanna Fire & EMS Study. Mr. Brown requested the Board accept or reject the study. The acceptance of the study just signifies to the General Assembly that a study has been done. Mr. Scott Carpenter, President of Fire and Rescue Association, addressed the board on the reporting systems for fire and rescue.

MOTION:

Mr. Chesser moved to accept the Fire and EMS Study Report.

Mr. Ullenbruch seconded. The motion carried, with a vote of 5-0. AYES: Ullenbruch, Kenney, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

Blue Ridge Reassessment Update Briefing – Mr. Matthew Hickey, Blue Ridge Mass Appraisal, reviewed with the Board the progress of the reassessment of property for Fluvanna County. Property has decreased in value approximately 25 – 35%. Notices will be sent out next week and hearing process will begin October 1, 2012. Thanked the Commissioner of Revenue's office for all their assistance.

Cell Tower Update – Ms. Allyson Finchum, Planning Director, introduced Ms. Susan Raybold with CityScape who reviewed with the Board the Wireless Telecommunications Master Plan, current challenges, and CityScape's recommendations.

E-911 Update – Sheriff Washington reviewed with the Board the status of meeting the narrow banding requirements and equipment that is in need of replacement. Implementation start date is expected to be mid-October. A consultant firm will draft an RFP to hire another consultant firm to draft an RFP to go out for bids to overhaul the communications system.

Fluvanna County Public Schools Superintendent's Report 2012-2013 – Ms. Gena Keller reviewed with the Board the progress of the school and their priorities and goals for the 2012-2013 school year. Ms. Keller requested an additional \$558,660 to execute the 2012-2013 budget.

AUGUST 2012 – INITIAL PROJECTED GAP:	\$ 457,253
Vehicle Fuel – Restore cost of add'l routes and 8% increase in fuel cost -	\$ 46,271
Trash/Sewage – Restores full annual est. sewage costs for FCHS -	\$ 32,100
Utilities – Restores Full annual estimated utilities cost for FCHS -	\$ 23,036
Revised funding needed to execute FY 2013	\$ 558,660

CONSENT AGENDA

The following items were approved under the consent agenda:

MOTION:

Mrs. Booker moved to approve the consent agenda, which consisted of:

- Resolution Recognizing Matthew Alexander Tankersley as an Eagle Scout.
- Resolution of Approval of a Safe Deposit Box.
- DEQ Consent Order for Omohundro WTP Well and Morris Well WTP.

Mr. Ullenbruch seconded. The motion carried, with a vote of 5-0. AYES: Ullenbruch, Kenney, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

ACCOUNTS PAYABLE

None

UNFINISHED BUSINESS

Review of Aqua Virginia PPEA – Mr. Chesser requested the Board advance to next phase review.

MOTION:

Mr. Chesser moved to advance the Aqua Virginia PPEA to the next phase review. Mrs. Booker seconded. The motion carried, with a vote of 5-0. AYES: Ullenbruch, Kenney, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

The Board **directed staff** to continue with water source negotiations with the Department of Corrections.

The Board **directed staff** to move forward with planning a meeting of the James River Water Authority in late October.

NEW BUSINESS

The Board discussed the letter from the Calvary Chapel requesting to have an invocation at the beginning of Board meetings. Mr. Fred Payne, County Attorney reviewed the history of invocations at meetings and will provide follow-up information.

Mrs. Booker requested to discuss the school request and make a decision. The Board discussed in depth.

EXTEND MEETING

MOTION:

Mr. Weaver moved to extend the Board of Supervisors meeting to 12:00 a.m. Mrs. Booker seconded. The motion carried with a vote of 5-0. AYES: Kenney, Ullenbruch, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

The Board continued discussion on the school request.

MOTION:

Mrs. Booker moved to approve a supplemental appropriation to the FY13 School Budget for \$21,976 to reflect additional funds from the State for Project Graduation. Mr. Chesser seconded. The motion carried, with a vote of 5-0. AYES: Ullenbruch, Kenney, Chesser, Booker and Weaver. NAYS: None. ABSENT: None.

Mr. Chesser motioned to adjourn, seconded by Mr. Weaver. After discussion Mr. Chesser rescinded his motion to adjourn.

CLOSED MEETING

None

PUBLIC COMMENTS #2

Chairman Kenney opened the floor for the second round of public comments.

- Mr. Tom Payne, Palmyra District – addressed with the Board the history of why the Board stopped having invocation, challenged the Board to compare their budget to where the school budget is, and go into the schools so you can see what the teachers are doing to provide education to the students.
- Ms. Theresa Scruggs, Fork Union District – addressed the Board in regards to reconfigure funds to prevent further cuts.
- Ms. Bridgette Madison, Fork Union District – addressed the Board in regard to the great things the students are doing in the schools.

With no one else wishing to speak, Chairman Kenney closed the second segment of public comments.

ADJOURN

MOTION:

At 11:45 p.m., Mr. Chesser moved to adjourn the meeting of Wednesday, September 19, 2012. Mr. Weaver seconded. The motion carried, with a vote of 5-0. AYES: Kenney, Ullenbruch, Weaver, Booker and Chesser. NAYS: None. ABSENT: None.

ATTEST:

FLUVANNA COUNTY BOARD OF SUPERVISORS

Mary L. Weaver, Clerk

Shaun V. Kenney, Chairman

APPROVED

**RESOLUTION
AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$5,000,000 GENERAL OBLIGATION SCHOOL BONDS
OF THE COUNTY OF FLUVANNA VIRGINIA, SERIES 2012
TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY
AND PROVIDING FOR THE FORM AND DETAILS THEREOF**

WHEREAS, the Board of Supervisors (the "Board") of the County of Fluvanna, Virginia (the "County"), has determined that it is necessary and expedient to borrow an amount not to exceed \$5,000,000 and to issue its general obligation school bonds for the purpose of refinancing, to the extent permitted by VPSA (as defined below), certain indebtedness of the County evidenced by that certain \$2,704,077 Public Facility Revenue Note (Fluvanna County School Project), Series 2010 (the "Series 2010 Note") issued by the Economic (formerly Industrial) Development Authority of Fluvanna County, Virginia, and that certain \$1,900,000 Public Facility Revenue Bond (Fluvanna County School Project), Series 2007 (the "Series 2007 Bond"), issued by the Industrial (now Economic) Development Authority of Fluvanna County, Virginia (collectively, the Series 2010 Note and the Series 2007 Bond are referred to as, the "Prior Obligations"), each of which was incurred by the County to finance or refinance the costs of certain capital projects for school purposes; and

WHEREAS, the County held a public hearing, duly noticed, on September 19, 2012, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has, by resolution, requested the Board to authorize the issuance of the Bonds (as hereinafter defined) and consented to the issuance of the Bonds; and

WHEREAS, the Bond Sale Agreement (as defined below) shall indicate that an aggregate amount of \$4,400,000 is the amount of proceeds requested (the "Proceeds Requested") from the Virginia Public School Authority ("VPSA") in connection with the sale of the Bonds, representing \$2,800,000 of proceeds for the refinancing of the Series 2010 Note and \$1,600,000 of proceeds for the refinancing of the Series 2007 Bond; and

WHEREAS, VPSA's objective is to pay the County a purchase price for the Bonds which, in VPSA's judgment, reflects the Bonds' market value (the "VPSA Purchase Price Objective"), taking into consideration of such factors as the amortization schedule the County has requested for the Bonds relative to the amortization schedules requested by other localities, the purchase price to be received by VPSA for its bonds and other market conditions relating to the sale of VPSA's bonds;

WHEREAS, such factors may result in the Bonds having a purchase price other than par and consequently (i) the County may have to issue a principal amount of Bonds that is greater than or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Bonds set forth in section 1 below does not exceed the Proceeds Requested by at least the amount of any discount, the purchase price to be paid to the County, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

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

1. **Authorization of Bonds and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of refinancing the Prior Obligations, or either of them, for school purposes as described in Exhibit B, to the extent permitted by VPSA. The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.

2. **Sale of the Bonds.** It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to VPSA, the Bonds at a price,

determined by VPSA to be fair and accepted by the Chairman of the Board of Supervisors and the County Administrator (each a "Delegate") that is substantially equal to the Proceeds Requested, except that the Bonds may be sold for a purchase price not lower than 95% of the Proceeds Requested if issuing the Bonds in the maximum principal amount authorized by Section 1 of this Resolution is insufficient, given the VPSA Purchase Price Objective and market conditions, to generate an amount of proceeds substantially equal to the Proceeds Requested. Each Delegate is hereby authorized and directed to enter into a Bond Sale Agreement, dated as of October 12, 2012, with VPSA providing for the sale of the Bonds to VPSA. The agreement shall be in substantially the form submitted to the Board at this meeting, which form is hereby approved (the "Bond Sale Agreement"), subject to such revisions, completions and adjustments as may be required in the discretion of either Delegate to reflect the terms of the sale of the Bonds, with such Delegate's signature to the Bond Sale Agreement to evidence the County's conclusive acceptance and approval of the Bond Sale Agreement and any such revisions, completions and adjustments.

3. **Details of the Bonds.** The Bonds shall be dated the date of issuance and delivery of the Bonds; shall be designated "General Obligation School Bonds, Series 2012"; shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 beginning July 15, 2013 (each an "Interest Payment Date"), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts acceptable to a Delegate (the "Principal Installments"), subject to the provisions of Section 4 of this Resolution.

4. **Interest Rates and Principal Installments.** A Delegate is hereby authorized and directed to accept the interest rates on the Bonds established by VPSA, provided that each interest rate shall be five one-hundredths of one percent (0.05%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the bonds to be issued by VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further that the true interest cost of the Bonds does not exceed five and fifty one-hundredths percent (5.50%) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of VPSA. A Delegate is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of VPSA, provided that the aggregate principal amount of the Bonds shall not exceed the maximum principal amount authorized by this Resolution. The execution and delivery of the Bonds as described in Section 8 hereof shall conclusively evidence such interest rates established by VPSA and the Interest Payment Dates and the Principal Installments requested by VPSA as having been so accepted as authorized by this Resolution.

5. **Form of the Bonds.** The Bonds shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

6. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:

(a) For as long as VPSA is the registered owner of the Bonds, all payments of principal, premium, if any, and interest on the Bonds shall be made in immediately available funds to VPSA at, or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds.

(c) Regions Bank, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

7. **Prepayment or Redemption.**

The Principal Installments of the Bonds held by VPSA coming due on or before July 15, 2022, and the definitive Bonds for which the Bonds held by VPSA may be exchanged that mature on or before July 15, 2022, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bonds held by VPSA coming due after July 15, 2022,

and the definitive bonds for which the Bonds held by VPSA may be exchanged that mature after July 15, 2022, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2022, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2022 through July 14, 2023	101%
July 15, 2023 through July 14, 2024	100½
July 15, 2024 and thereafter	100

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

8. **Execution of the Bonds.** The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are authorized and directed to execute and deliver the Bonds and to affix the seal of the County thereto.

9. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of, premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

10. **Use of Proceeds Certificate and Certificate as to Arbitrage.** The Chairman of the Board, the County Administrator and such other officer or officers of the County as either may designate are hereby authorized and directed to execute a Certificate as to Arbitrage and a Use of Proceeds Certificate each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Certificate as to Arbitrage and such Use of Proceeds Certificate and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludable from gross income for Federal income tax purposes.

11. **Application of Proceeds of the Bonds; State Non-Arbitrage Program; Proceeds Agreement.** Inasmuch as the proceeds of the Bonds shall be used to current refund the Prior Obligations, or either of them, the Board hereby determines that it is in the best interests of the County to disburse the applicable portion of the proceeds of the Bonds to the respective holder(s) of the Prior Obligations directly upon issuance of the Bonds. Accordingly, the County Director of Finance is authorized to coordinate the transfer of applicable portion(s) of the proceeds of the Bonds to the respective holders of the Prior Obligations promptly upon the issuance of the Bonds. Accordingly, the County will not participate in the State Non-Arbitrage Program in connection with the Bonds.

12. **Continuing Disclosure Agreement.** The Chairman of the Board, the County Administrator and such other officer or officers of the County as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of

the Securities and Exchange Commission Rule 15c2-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings required by Section 3 of the Bond Sale Agreement should the County be determined by VPSA to be a MOP (as defined in the Bond Sale Agreement).

13. **Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

14. **Further Actions.** The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

15. **Effective Date.** This Resolution shall take effect immediately.

* * *

APPROVED

CERTIFICATE

The undersigned Clerk of the Board of Supervisors (the "Board") of the County of Fluvanna, Virginia (the "County") hereby certifies that:

1. A meeting of the Board was duly called and held on September 19, 2012 (the "Meeting").

2. Attached hereto is a true, correct and complete copy of a resolution (the "Resolution") of the Board entitled **“RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,000,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF FLUVANNA VIRGINIA, SERIES 2012 TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM AND DETAILS THEREOF”** as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Board present and voting during the Meeting.

3. A summary of the members of the Board present or absent at the Meeting, and the recorded vote with respect to the Resolution, is set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Shaun V. Kenney, Chairman	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Bob Ullenbruch, Vice Chairman	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Joe Chesser	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Mozell H. Booker	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Donald W. Weaver	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>

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

Dated: September 19, 2012

WITNESS my signature and the seal of the Board of Supervisors of Fluvanna County, Virginia this 19th day of September, 2012.

Mary L. Weaver, Clerk
Board of Supervisors of the County of
Fluvanna, Virginia



**BOARD OF SUPERVISORS
County of Fluvanna
Palmyra, Virginia**

RESOLUTION

At a regular monthly meeting of the Fluvanna County Board of Supervisors held on Wednesday, September 19, 2012, in Palmyra, Virginia, the following action was taken:

<u>Present</u>	<u>Vote</u>
Shaun V. Kenney, Chairman	YEA
Robert Ullenbruch, Vice Chairman	YEA
Mozell H. Booker	YEA
Joseph Chesser	YEA
Donald W. Weaver	YEA

On a motion by Mrs. Booker, seconded by Mr. Ullenbruch and carried by a vote of 5-0, the following resolution was adopted.

RESOLUTION

Recognizing Matthew Alexander Tankersley Award of Eagle Scout Status

WHEREAS, Matthew Alexander Tankersley has completed all the requirements for becoming an Eagle Scout; and

WHEREAS, Matthew has been examined by an Eagle Scout Board of Review and deemed worthy of the Eagle Scout award; and

WHEREAS, Boy Scout Troop 138 will be convening a Eagle Scout Court of Honor on October 21, 2012 at 2:30 p.m. at Saints Peter and Paul Catholic Church, Palmyra, Virginia;

NOW, THEREFORE BE IT RESOLVED that the Fluvanna County Board of Supervisors joins Matthew's family and friends in congratulating him on his achievements and the award of Eagle Scout status.

Adopted this 19th, day of September 2012
by the Fluvanna County Board of Supervisors

ATTEST:

Shaun V. Kenney, Chairman

Fluvanna County Resolution #24-2012

Union First Market Bank
PO Box 940
Ruther Glen VA 22546

RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION

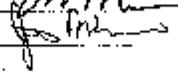
COUNTY OF FLUVANNA
By: 182 MAIN ST
PALMYRA, VA 22963-4179

Referred to in this document as "Financial Institution"

Referred to in this document as "Association"

I, MARY WEAVER, certify the Union First Market Bank of the above named association organized under the laws of FLUVANNA, Virginia, Federal Employee I.D. Number _____, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Association duly and properly called and held on 19 Sep 2012. (date) These resolutions appear in the minutes of the meeting and have not been rescinded or modified.

AGENTS: Any Agent listed below, subject to any further limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. STEVEN M NICHOLS, COUNTY ADMINISTRATOR	X 	X _____
B. JONATHAN E MCMAHON, IT DIRECTOR	X 	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
A, B	(1) Exercise all of the powers listed in this resolution.	1
_____	(2) Open any deposit or share account in the name of the Association.	_____
_____	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Execute, assign, transfer, mortgage or pledge, bills, receipts, warehouse receipts, bills of lading, stocks, bonds, tax credits or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to execute the same, unconditionally guarantee payment of all bills, promissory notes, negotiable instruments and to which borrow, promissory notes, evidence of indebtedness and notes of non payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

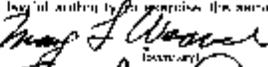
LIMITATIONS ON POWERS: The following are the Association's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS: This resolution supersedes resolution dated N/A. If not completed, all records here remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to accept the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to execute the same. (Apply seal below where appropriate.)

If checked, the Association is a nonprofit lodge, association or similar organization

X  (Secretary)

X  (Authorized Officer)

X  (Authorized Officer)

Safe Deposit Box Lease

Lessor
Lynch First Market Bank
PO Box 840
Ruther Glen VA 22946

Lessee (Name and Address):
COUNTY OF FLUVANNA
132 MAIN ST
PALMYRA, VA 22963-4179

Important Account Opening Information

Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

Birth Dates (for individuals):

Taxpayer Identification Numbers:
COUNTY OF FLUVANNA

Gov't issued Photo ID Types, Numbers, Issuers, Issue Dates, Exp. Dates (for individuals):

Other ID Information (Description, Details):

Appointment of Deputy

A deputy is appointed as follows, provided he/she accepts appointment and confirms this lease by signing below:

Appointing lessee is an individual. appointment is intended not intended as a power of attorney with authority surviving disability of appointing lessee.

Appointing Lessee: _____

Signature: _____ (Date)

Deputy's Name: _____

Deputy's Signature: _____ (Date)

Lease Specifics

Lease Date: 8/15/2012

Box No. & Size: 00212

Box Keys: 2

Vault Keys: _____

Initial Ann. Rent: \$ 125.00

We will give you notice debit your account no.: _____

Security Deposit: \$ 00

Number of Lessees Required for Access: 1

No. of Deputies Required to Act for a Lessee: _____

Lease Type: Individual Joint Corporation

Partnership ORGANIZATION _____



Terms and Conditions

Definitions. *You and your* refer to each and all of the lessees identified on page 1. *We, us, and our* refer to the lessor identified on page 1. *Safe deposit box* refers to a box or container and the space it encloses. *Vault* refers to our room for keeping safe deposit boxes. *PIN* refers to personal identification number. *Default* refers to any failure to perform as agreed in this lease. *Lessee indebtedness* refers to any amounts due us from you under this lease. Unless otherwise specified, words in the singular include the plural, and words in the plural include the singular.

Lease of Safe Deposit Box. We are leasing to you the safe deposit box identified on page 1 and space for it in our vault. You will pay us an annual rent in advance. The initial annual rent is stated on page 1. We can change the annual rent after the first year by 30 days advance written notice to you. If "give you notice" is checked on page 1, we will give you written notice at least 10 days before the rent or any other lease indebtedness is due. If "debit your account no." is checked on page 1, we will debit the identified account for the rent or any other lease indebtedness without notice to you. If the rent or any other lease indebtedness is not timely paid after such notice, or if there are insufficient funds in such account, you are in default and we can, but are not required to, debit any of your other deposit or share accounts with us without notice to you.

Security Deposit. At the time of execution of this lease you will deliver to us the security deposit, if any, stated on page 1. We can use this security deposit to pay all or part of any unpaid lease indebtedness. Any unused portion of this security deposit will be returned to you on the termination of this lease and your vacation of the safe deposit box.

Access to Vault and Safe Deposit Box. The number of lessees required for access indicated on page 1 is the number of lessees, acting for themselves or through deputies, who must be present for access to the safe deposit box and its contents. If that number of lessees is present, they can have access without any other lessees being present. The days and times when you will have access to our vault and the safe deposit box and your means of access will depend upon our security procedures, which we can change from time to time. Such procedures can include keys or combinations to the vault or to the safe deposit box, passwords, PINs, signatures, fingerprints, handprints, or other safeguards. We will promptly provide you with information and guidance regarding our security procedures, including any changes. We will not have access to the safe deposit box or its contents, except as required by law, as required by court or administrative order, or as otherwise provided in this lease.

Our Responsibilities. We promise to exercise reasonable care. Except as otherwise required by law or otherwise provided in this lease, it is agreed that we will not have

possession or control of the safe deposit box or its contents and that our responsibilities and liabilities:

- (a) Will be limited to those of someone who leases property to another;
- (b) Will not extend beyond the exercise of reasonable care;
- (c) Will not result in any presumptions adverse to us or in our having the burdens of proof, persuasion, or running truth with evidence at any stage of any litigation regarding the vault, the safe deposit box, the safe deposit box contents, or their loss, damage, or destruction; and
- (d) Will not extend beyond the monetary value of the safe deposit box contents and will not include any damages for, resulting from, or relating to any illegal or dangerous items stored in the safe deposit box.

In no event will our liability exceed any applicable statutory maximum.

Joint Tenants. If this lease has two or more lessees, they are joint tenants with right of survivorship with respect to the lease and the safe deposit box. If any of you die, the surviving lessees and only the surviving lessees will continue to have rights under the lease and to the safe deposit box. If there are two or more survivors, their rights under the lease and to the safe deposit box will be held in joint tenancy with right of survivorship. Nothing in this paragraph, however, will determine or affect the ownership of the contents of the safe deposit box or preclude any statutory right of access to the safe deposit box upon the death of a lessee.

Deputies. A deputy is an agent, attorney-in-fact, or other representative of the appointing lessee with authority to act on behalf of the lessee with respect to the lease, the safe deposit box, and its contents. The number of deputies required to act for a lessee (including being present on behalf of the lessee for access to the safe deposit box and its contents) is as indicated on page 1. Unless otherwise required by law:

- (a) Whether a deputy's authority will or will not survive the disability of the appointing lessee will depend upon the intention indicated on page 1 or in another document of appointment, there will be no disability prior to a court determination to that effect, and a deputy's authority will continue in any event until we receive actual notice of the disability;
- (b) A deputy's authority will continue until it ceases under law or under the terms of this lease;
- (c) A deputy's authority will cease upon the death of the appointing lessee and our receipt of actual notice thereof;
- (d) A deputy's authority will cease if the corporation, partnership, or other non-individual appointing lessee ceases to exist and we receive actual notice thereof;
- (e) A deputy's authority can be revoked at any time by the appointing lessee's written notice to us; and



Terms and Conditions, Continued

If a Lessee can appoint a deputy by written notice to us in any form, but such notice will not be effective unless it is signed by the lessee, specifically references this lease, indicates whether or not the appointment is intended as a power of attorney with a theory surviving the disability of the appointing lessee. If the appointing lessee is an individual, and includes or is accompanied by the signature of the deputy accepting the appointment and confirming this lease.

Corporations, Partnerships, Associations, Organizations. If you are a corporation, partnership, association, or other organization, you will, on request provide us with a statement in a form satisfactory to us of your board of directors or other governing body indicating authority to enter into this lease and to appoint deputies.

Contents Not Insured. The contents of the safe deposit box are not insured by us or any government insurance program. Our not insuring the contents does not constitute a failure to exercise reasonable care. If you want the contents to be insured, you will have to arrange for your own insurance at your own expense.

No Illegal or Dangerous Items. You will not store any illegal or dangerous items in the safe deposit box.

Your Obligation of Reasonable Care. You must exercise reasonable care regarding our vault, our security procedures, the safe deposit box, and its contents, and must promptly report to us any problems or unsafe or insecure conditions that you observe in using the safe deposit box.

Death, Disability, Dissolution, or Bankruptcy. Each of you agrees to give us notice in writing of the death or disability of, or any dissolution, separation, annulment, or bankruptcy proceedings regarding, any of you, as soon as such knowledge is obtained. You also agree to give us such notice orally before your next entry into the safe deposit box.

Keys, Combinations, and Other Access Devices. You agree not to duplicate any keys provided to you pursuant to this lease. You will return all keys and supply us with all combinations, passwords, PINs, and other access devices on termination of this lease. You will notify us immediately if you lose a key or lose or forget your combination, password, PIN, or other access device. You will pay us any reasonable costs that we incur as a result of such loss or forgetfulness, as a result of your failure to provide us with such keys, combinations, passwords, PINs, or other access devices on termination of this lease; as a result of our being required by law or court or administrative order to obtain forced entry; or as a result of our obtaining forced entry pursuant to the Remedies section of this lease.

Court Orders and Litigation Expenses. We have no obligation to challenge the validity of, and are entitled to comply with, any court or administrative order with respect to the safe deposit box or its contents. You will pay our reasonable expenses, including attorneys' fees, in the event we become involved in a dispute or

litigation concerning the safe deposit box or its contents.

Held Harmless. You will indemnify and hold us harmless with respect to your actions regarding the safe deposit box and its contents; with respect to the actions of any deputy; with respect to the actions of any former deputy occurring before we receive actual notice of the facts ending the former deputy's authority; and with respect to any disposition of safe deposit box contents we make pursuant to this lease or the requirements of law.

Termination, Vacation, and Removal of Contents. Unless otherwise provided by law:

- (a) Either you (or any of you) or we can terminate the lease for default by written notice, which will be immediately effective;
- (b) Either you (or any of you) or we can terminate the lease for any other reason by 30 days advance written notice; and
- (c) Upon termination, you will immediately vacate the safe deposit box and remove all its contents.

Any of you can sign the Termination Acknowledgement section of this lease on behalf of all of you. If we terminate the lease for any reason other than default, you will be entitled to a refund of any unearned portion of the annual fee, paid in advance not used to satisfy any other case, pro rata. You will not be entitled to a refund of rent for any other reason.

Remedies. We are entitled to all remedies for default that are available under law and to the remedies provided by Va. Code Ann. sections 6.2-2305 through 6.2-2311 and 6.2-2313, which can be summarized as follows:

After the rent due has remained unpaid for one year, the lessor can send to the lessee a notice in writing in a securely closed, postpaid, registered or certified letter (special mail directed to the lessee's last known post-office address) notifying the lessee that if the rent is not paid within 60 days from the date of sending the notice the lessor will cause the safe deposit box to be opened and the contents inventoried, sealed, and placed in one of the general safes of the lessor. If the rent due plus legal interest is not paid within 60 days from the mailing of the notice the lessor may in the presence of two of its employees, one of whom is a notary public, cause the safe deposit box to be opened and the contents removed, inventoried, and sealed by the notary public in a package, upon which the notary public will distinctly mark the name of the lessee and the date of the removal. The package will then in the presence of one of the lessor's above-named officers be placed by the notary public in one of the lessor's general safes at a rent not exceeding the original rent of the safe deposit box where it will remain for not less than two years, unless sooner removed by the lessee. The notary public will file with the lessor a certificate under seal which fully sets out the date of the opening, the name of the lessee, and a list of the contents. The certificate will be returned by the notary public and will be prima facie evidence of the facts set forth therein. A copy of the certificate will be mailed within 10 days to the lessee at the lessee's last known post office address by special



Terms and Conditions, Continued

mail, together with a notice that the contents will be kept at the expense of the lessee in a general safe of the lessor for not less than two years, unless sooner removed by the lessee. At any time before the expiration of the two years the lessee can require delivery of the contents upon payment of the rent due at the time of the opening, the cost of the opening, the fees of the notary public for issuing the certificate, and all charges accrued while the contents are in the lessor's general safe, together with legal interest on all thereof. After the two years have passed, if the lessor still has the contents, he will mail by special mail to the lessee at the lessee's last known post office address a notice stating that two years have passed since the opening of the box and the mailing of the certificate; stating that the lessor will sell all the contents of value at a time and place stated in the notice, not less than 60 days after the mailing of the notice; and stating the amount due for rent up to the opening, the cost of the opening, and the cost of safekeeping since the opening. Unless the lessee pays all the charges accruing to the time of payment plus legal interest thereon, the lessor can sell the contents of value for cash at public auction at the time and place stated in the notice, provided a notice of the time and place of sale has been published twice not more than 20 days prior to the sale in a newspaper published in the city, town, or county where the sale is held or, if none, in a newspaper published in the city, town, or county nearest thereto having such newspaper. From the proceeds of the sale the lessor will deduct all the charges stated in the notice, together with those accruing since the mailing of the notice, including reasonable expenses for notices, advertising, and sale, plus legal interest on all charges. The balance, if any, of such proceeds will be deposited to the credit of the lessee and will be paid, together with interest thereon at the rate of 3% per annum, to the lessee on demand and production of satisfactory evidence of identity. To the extent that the contents are documents or letters or other papers of a private nature, or articles having a primum affectionis, they will not be sold, but rather will be retained by the lessor, but without liability.

We can report your defaults to credit bureaus and consumer reporting agencies.

Suspension. We can suspend access to our vault and your safe deposit box in the event of an emergency or to make alterations or repairs. Unless otherwise provided by law, we also can suspend such access in the event of legal issues, levies, attachments, garnishments, actions, or proceedings concerning the safe deposit box or its contents pending their resolution.

Notices. Except as otherwise provided by law, notices to us will not be effective until actually received, and notices to you will be effective on mailing, postage prepaid and properly addressed, whether or not actually received, provided we make a written record of the mailing at the time it occurs.

Changes. These Terms and Conditions, other than the right to terminate on 30 days advance written notice and your above stated right to a refund upon termination by us, can be changed by us upon 30 days

advance written notice to you. No notice to you is required for changes to our security procedures, but we will provide you with information and guidance regarding them as indicated above.

Miscellaneous. This lease is governed by and subject to the laws of the United States and Virginia. Headings are not part of these Terms and Conditions and are for reference purposes only. This lease is the entire and only agreement between the parties concerning the safe deposit box.

Exception

By exception below, you and we agree to this lease, including its Terms and Conditions, and you acknowledge receipt of any keys described on page 1 and a copy of this lease. If a lessor is a corporation, partnership, or other non-individual, the persons signing on its behalf are appointed and accept appointment as depositories and confirm this lease.

X _____
Print Name: STEVEN M NICHOLS

X _____
Print Name: JONATHAN E MCMAHON

X _____
Print Name _____

X _____
Print Name _____

Signed: _____ For Lessor

Termination Acknowledgment

By signing below you acknowledge on behalf of all lessors that they have removed all contents from the safe deposit box, that they have no further rights to the safe deposit box, and that the lessor has satisfied all its obligations under the lease.

X _____
Print Name(s) _____

Keys Returned: _____

Signed: _____ For Lessor



Fluvanna County Resolution #25-2012



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
VALLEY REGIONAL OFFICE
4411 Party Road, P.O. Box 3090, Harrisonburg, Virginia 22821
(540) 574-7800 Fax (540) 574-7878
www.deq.virginia.gov

Douglas W. Donceel
Secretary of Natural Resources

David R. Daykin
Director
Gary Tinscher, Chief
Registral Director

**STATE WATER CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
FORK UNION SANITARY DISTRICT
FOR
OMOHUNDRA WELL WTP
VPDES Permit No. VA0057606
and
MORRIS WELLWTP
VPDES PERMIT No. VA0089359**

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code § 62.1-44.15, between the State Water Control Board and the Fork Union Sanitary District, regarding the facilities for the purpose of resolving certain violations of the State Water Control Law and the Permit and the Regulation.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "305(b) report" means the report required by Section 305(b) of the Clean Water Act (33 United States Code § 1315(b)), and Va. Code § 62.1-44.19.5 for providing Congress and the public an accurate and comprehensive assessment of the quality of State surface waters.
2. "Board" means the State Water Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and 62.1-44.7.



Consent Order
 FUSD, LLC
 Page 2 of 12

3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.
5. "Discharge" means discharge of a pollutant. § VAC 25-31-10
6. "Discharge of a pollutant" when used with reference to the requirements of the VPDES permit program means:
 - a. Any addition of any pollutant or combination of pollutants to surface waters from any point source; or
 - b. Any addition of any pollutant or combination of pollutants to the waters of the contiguous zone or the ocean from any point source other than a vessel or other floating craft which is being used as a means of transportation.
7. "DMR" means Discharge Monitoring Report.
8. "Effluent" means wastewater - treated or untreated - that flows out of a treatment plant, sewer, or industrial outfall.
9. "Facilities" or "Plants" means the Morris Well and Ormsundro Well water treatment plants owned and operated by FUSD which are located in the vicinity of the Town of Fork Union, in Fluvanna County, Virginia, which discharge treated backwash wastewater.
10. "FUSD" means the Fork Union Sanitary District, a district created pursuant to "The Sanitary Districts Law of 1946 - Nontidal Waters § 41-112.22. FUSD is a "person" within the meaning of Va. Code § 62.1-44.3.
11. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 62.1-44.15.
12. "O&M" means operations and maintenance.
13. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the State Water Control Law.
14. "Permits" means VPDES Permit No. VA0054606 and VA0089559, which were issued under the State Water Control Law and the Regulation to FUSD on April 30, 2007 and which expired on March 31, 2012. (The Permits were reissued on May 11, 2012).



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FUSD, LLC
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15. "Pollutant" means dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials (except those regulated under the Atomic Energy Act of 1954, as amended (42 USC § 2011 *et seq.*)), heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural waste discharged into water... 9 VAC 25-31-10.
16. "Pollution" means such alteration of the physical, chemical, or biological properties of any state waters as will or is likely to create a nuisance or render such waters (a) harmful or detrimental or injurious to the public health, safety, or welfare or to the health of animals, fish, or aquatic life; (b) unsuitable with reasonable treatment for use as present or possible future sources of public water supply; or (c) unsuitable for recreational, commercial, industrial, agricultural, or other reasonable uses, provided that (i) an alteration of the physical, chemical, or biological property of state waters or a discharge or deposit of sewage, industrial wastes or other wastes to state waters by any owner which by itself is not sufficient to cause pollution but which, in combination with such alteration of or discharge or deposit to state waters by other owners, is sufficient to cause pollution; (ii) the discharge of untreated sewage by any owner into state waters; and (iii) contributing to the contravention of standards of water quality duly established by the Board, are "pollution." Va. Code § 62.1-44.3.
17. "Regulation" means the VPDDES Permit Regulation, 9 VAC 25-31-10 *et seq.*
18. "SCAT" means Sewage Collection and Treatment Regulations.
19. "State Water Control Law" means Chapter 3.1 (§ 62.1-44.2 *et seq.*) of Title 62.1 of the Va. Code.
20. "State waters" means all water, on the surface and under the ground, wholly or partially within or bordering the Commonwealth or within its jurisdiction, including wetlands. Va. Code § 62.1-44.3.
21. "WTP" means water treatment plant.
22. "Va. Code" means the Code of Virginia (1950), as amended.
23. "VAC" means the Virginia Administrative Code.
24. "VPDES" means the Virginia Pollutant Discharge Elimination System.
25. "VRO" means the Valley Regional Office of DEQ, located in Harrisonburg, Virginia.



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 FUSD, LLC
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SECTION C: The Board's Findings of Facts and Conclusions of Law

1. FUSD owns and operates the Facilities, which generate potable drinking water for the Fork Union Sanitary District in Shenandoah County, Virginia. The Permits authorize FUSD to discharge treated backwash wastewater from the Facilities to two different unnamed tributaries to Martins Creek, in strict compliance with the terms and conditions of the Permits.
2. The unnamed tributaries to Martins Creek are located in the James (Middle) River Basin. The unnamed tributaries to Martins Creek and Martins Creek are not assessed in DEQ's 305(b) report. Both of the unnamed tributaries to Martins Creek are considered Tier I waters.
3. The design flows of the Morris Facility and the Omohundro Facility have been rated and approved as 0.035 MGD and 0.005 MGD respectively, measured as a monthly average flow.
4. On June 9, 2011, DEQ provided FUSD with the routine Technical and Laboratory Inspection reports for the May 24, 2011, inspection conducted at the Omohundro Well WTP. These reports documented the presence of sludge through a reach (approximately 70 yards) of the discharge channel during the May 24, 2011 inspection. The inspection report operational problems and contained recommended corrective actions including:
 - a. Eliminate the unauthorized discharge of solids to the environment;
 - b. Describe how current operations allow solids to be discharged from Outfall 003;
 - c. Remove the discharged solids from the drainage conveyance after contacting the Army Corps of Engineers and DEQ-VRO for approval of a permit;
 - d. Update the O&M Manual for current permit requirements and provide details on lagoon operation procedures;
 - e. Perform the lagoon integrity study using the water balance procedures approved on April 8, 2008 (due 60 days after procedure approval and then monthly for 12 consecutive months).

(Note: A response to the inspection deficiencies was due by June 24, 2011). DEQ did not receive a response to the inspection report nor a plan of corrective actions to completely address these Facility operational problems until June 4, 2012.
5. In submitting reports and DMRs, as required by the Permits, FUSD has reported that it had effluent discharges from both Facilities during the months of April and May 2012.
6. The VPDES Permit Regulation and Part B.M. of the Permits require FUSD to submit to DEQ VPDES permit reinstatement applications at least 180 days before the expiration of the Omohundro Well WTP and Morris Well WTP Permits. The applications were due October 3, 2011.



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FUSD, LLC
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7. By letters dated April 6, 2011 and a telephone call on September 9, 2011, DEQ provided FUSD with reminders of the due dates for permit reissuance applications for its Facilities.
8. VRO issued Warning Letters dated October 14, 2011, December 6, 2011 and January 5, 2012 to FUSD for failure to submit complete and timely permit reissuance applications by October 3, 2011 in violation of the Permit Part II.M., VA Code § 62.1-44.5, 9 VAC 25-31-100, and 9 VAC 25-31-50 of the Regulation.
9. On February 14, 2012, VRO issued NOV No. W2012-02-V-0002 to FUSD for failure to submit timely and complete VPDES permit reissuance applications in violation of Permit Part II.M., VA Code § 62.1-44.5, 9 VAC 25-31-100, and 9 VAC 25-31-50 of the Regulation.
10. On February 29, 2012, DEQ received the Permit reissuance applications for the FUSD Facilities. The applications were deemed complete on March 1, 2012.
11. On March 31, 2012, FUSD's Permits expired because FUSD had not provided timely and complete permit reissuance applications due by October 3, 2011.
12. On May 11, 2012, the Permits for the Omohundro Well WTP and Morris Well WTP were reissued to FUSD.
13. FUSD's DMRs indicate that it discharged treated wastewater from the Facilities during the months of April and May 2012 during the period after the expiration and before the reissuance of the Permits.
14. On May 21, 2012, VRO issued NOV's No. W2012-05-V-0004 to FUSD (Omohundro Well WTP) and NOV No. W2012-05-V-0003 to FUSD (Morris Well WTP) for discharging treated wastewater without authorization of a VPDES permit during April and May 2012 in violation of VA Code § 62.1-44.5 and 9 VAC 25-31-50 of the Regulation.
15. There are certain violations regarding the improper operations deficiencies noted in the June 9, 2011 inspection reports for the Omohundro Well (VA0057606) that have not been cited in any enforcement documents and certain items such as the installation of lignum liners that continue to be outstanding.
16. Va. Code § 62.1-44.5 states that: "[E]xcept in compliance with a certificate issued by the Board, it shall be unlawful for any person to discharge into state waters sewage, industrial wastes, other wastes, or any noxious or deleterious substances."
17. The Regulation, at 9 VAC 25-31-50, also states that except in compliance with a VPDES permit, or another permit issued by the Board, it is unlawful to discharge into state waters sewage, industrial wastes or other wastes.



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FUSD, LLC
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- 18. Va. Code § 62.1-44.15(5a) states that a VPDES permit is a "certificate" under the statute.
- 19. The Department has issued no permits or certificates to FUSD authorizing the discharge of wastewater from the Facilities other than VPDES Permit numbers VA0057606 and VA0089559.
- 20. The unnamed tributaries to Martins Creek and Martins Creek are surface waters located wholly within the Commonwealth and are "state waters" under State Water Control Law.
- 21. Based on FUSD's DMRs, FUSD's letters to DEQ, the NOV's, and file reviews, the Board concludes that FUSD has violated the Permit, Va. Code § 62.1-44.5, 9 VAC 25-31-30, and 9 VAC 25-31-100 of the Regulation, as described in section C.
- 22. In order for FUSD to return to compliance, DEQ staff and representatives of FUSD have agreed to the Schedule of Compliance, which is incorporated as Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 62.1-44.15, the Board orders FUSD, and FUSD agrees to:

- 1. Perform the actions described in Appendix A of this Order; and
- 2. Pay a civil charge of \$10,210 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

FUSD shall include its Federal Employer Identification Number (FEIN) (54-6001282) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF). If the Department has to refer collection of moneys due under this Order to the Department of Law, FUSD shall be liable for attorneys' fees of 30% of the amount outstanding.



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FUSD, LLC
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SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of FUSD for good cause shown by FUSD, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.
2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facilities; or (3) taking subsequent action to enforce the Order.
3. For purposes of this Order and subsequent actions with respect to this Order only, FUSD admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.
4. FUSD consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. FUSD declares it has received fair and due process under the Administrative Process Act and the State Water Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.
6. Failure by FUSD to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. FUSD shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other unforeseeable circumstances beyond its control and not due to a lack of good faith or diligence on its part. FUSD shall demonstrate that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. FUSD shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are



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occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

- a. the reasons for the delay or noncompliance;
- b. the projected duration of any such delay or noncompliance;
- c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
- d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the FUSD intends to assess will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and FUSD. Nevertheless, FUSD agrees to be bound by any compliance date which precedes the effective date of this Order.
11. This Order shall continue in effect until:
 - a. FUSD petition the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - b. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to FUSD.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve FUSD from its obligation to comply with any statute, regulation, permit, condition, other order, certificate, certification, standard, or requirement otherwise applicable.
12. Any plans, reports, schedules or specifications attached hereto or submitted by FUSD and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.



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- 13. The undersigned representative of FUSD certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind FUSD to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of FUSD.
- 14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.
- 15. By its signature below, Fork Union Sanitary District voluntarily agrees in the issuance of this Order.

And it is so ORDERED this _____ day of _____, 2012.

Amy T. Owens, Regional Director
Department of Environmental Quality



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Fork Union Sanitary District voluntarily agrees to the issuance of this Order.

Date: 19 Sep 2012 By: [Signature] BOB Chairman
(Person) (Title)
Fork Union Sanitary District

Commonwealth of Virginia

City/County of Flovanna

The foregoing document was signed and acknowledged before me this 19 day of September, 2012, by Shawn V. Kenney who is

Chairman BOB of Fork Union Sanitary District on behalf of Fork Union Sanitary District.

[Signature]
Notary Public
347136
Registration No.

My commission expires: 31 January 2016

Notary seal:



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**APPENDIX A
 SCHEDULE OF COMPLIANCE
 FORK UNION SANITATION DISTRICT-OMOHUNDRO WELL WTP**

1. FUSD submitted to DEQ for review and approval both a sludge disposal plan and information showing that the proposed lagoon liner material meets SCAT and DEQ regulatory requirements. FUSD shall respond to comments regarding the sludge disposal plan and/or the liner material **within 30 days** of receipt of written comments.
2. FUSD shall continue TSS monitoring of the Facility's discharge at a frequency of 1/week via 2 hour composite samples. Its first monthly report is due by **September 15, 2012**. If a report shows consistent compliance with the Permit limitations, FUSD may request DEQ's approval to return to the Permit's required frequency of analysis.
3. FUSD has submitted to DEQ for review and comment an updated O&M Manual for current permit requirements and details on lagoon operation procedures as discussed in the May 2011 inspection reports. FUSD shall respond to comments on the O&M Manual **within 30 days** of receipt of written comments.
4. **By October 1, 2012**, FUSD shall complete sludge removal from Lagoon #2 and properly dispose of that sludge in accordance with the approved sludge disposal plan.
5. **By October 8, 2012**, FUSD shall order the new liner for the Facility's Lagoon #2 that meets SCAT and DEQ regulatory requirements.
6. **By December 15, 2012**, FUSD shall complete the proper lining of Lagoon #2 and begin pumping down Lagoon #1 and drying sludge.
7. **By February 15, 2013**, FUSD shall complete the sludge removal from Lagoon #1 and properly dispose of that sludge in accordance with an approved sludge disposal plan.
8. **By February 22, 2012**, FUSD shall order the liner for Lagoon #1 that meets SCAT and DEQ regulatory requirements.
9. **By April 15, 2013**, FUSD shall complete the proper lining of Lagoon #1.
10. **By April 15, 2013**, FUSD submit to DEQ for review and approval an updated O&M Manual, incorporating any operational changes resulting from the installation of the lagoon liners. FUSD shall respond to comments on the O&M Manual within 30 days of receipt of written comments.
11. FUSD shall monitor the discharge for compliance with Permit requirements for a period of six months following the completion of the installation of the liners. If FUSD experiences effluent violations (and/or the loss of solids, upon written request by DEQ, FUSD shall



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submit to DEQ for review and comment a plan and schedule of additional improvements to ensure compliance with the Permit requirements. FUSD shall respond to any comments on the plan and schedule **within 30 days** of receipt of written comments. Upon approval, the plan and schedule shall be incorporated by reference into this Order and becomes enforceable under the Order.

12. No later than **14 days** following a completion date identified in the above schedule of compliance FUSD shall submit to DEQ's Valley Regional Office a written notice of compliance or noncompliance with the scheduled item. In the case of noncompliance, the notice shall include the cause of noncompliance, any remedial actions taken, and the probability of meeting the next scheduled item.

DEQ Contact

Unless otherwise specified in this Order, FUSD shall submit all requirements of Appendix A of this Order to:

Steve Hetrick
Enforcement Specialist Sr.
VA DEQ -Valley Regional Office
P.O. Box 3000
Harrisonburg, VA 22801
(540) 574-7833 Phone
(540) 574-7878 Fax
Steven.hetrick@deq.virginia.gov

