



**Urbanna Town Council  
Public Hearing  
Monthly Meeting  
AGENDA  
Town Council Chambers  
390 Virginia Street, Suite B  
Thursday, December 15, 2022 7:00PM**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Approval of Agenda
5. Public Hearing-Bond hearing
  - a. Presentation-Roy Kime
  - b. Open Public Hearing (3-minute time limit for citizens)
  - c. Close Public Hearing
  - d. Action
6. Minutes
  - a. October 27, 2022
7. Reports
  - a. Town Administrator
  - b. Treasurer's Report
  - c. Finance Committee
  - d. Pool Committee
  - e. Planning Commission
  - f. Water Committee
8. Public Comment
9. Public Comment Response Period
10. Old Business
11. New Business
  - a. Floating Pier purchase
12. Adjourn

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**Agenda Item Summary  
December 15, 2022**

**Agenda Item:** 4-Approval of Agenda

**Fiscal Impact:** NA

**Staff Recommendation:** Approve

**Council Action Requested:** Yes

**Sample Motion(s):**

Motion to approve agenda as presented

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## **Agenda Item Summary December 15, 2022**

### **Agenda Item: 5-Public Hearing-Proposed issuance of bonds**

**Background:** A public hearing is required to solicit comments from the public of the proposed issuance of a bond not to exceed \$1,056,000 to finance the construction of a new water well (Well #6) for the Town's water system. The construction of this new well has been mandated by the Commonwealth of Virginia. After the public hearing Council will consider and then vote upon the proposed motion which would authorize the Town to take steps necessary for such an issuance.

**Fiscal Impact:** Ultimate impact not to exceed \$1,056,000.

**Staff Recommendation:** Approve

**Council Action Requested:** Yes

#### **Sample Motion(s):**

Motion to approve resolution authorizing the issuance, sale and award of water revenue bonds as presented.

Documents attached:

Authorizing resolution

Letter of conditions between Town of Urbanna and USDA Rural Development

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**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF  
WATER REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT  
NOT TO EXCEED \$1,056,000 AND PROVIDING FOR THE FORM,  
DETAILS AND PAYMENT OF THE BONDS**

The Council of the Town of Urbanna (the “Council”) has determined to make capital improvements to the water system of the Town and to issue revenue bonds, the proceeds of which, together with other available funds, are estimated to be sufficient to pay the cost of the improvements; and

The United States of America (the “Government”) has offered to purchase the revenue bonds upon certain terms and conditions, and the Council, after mature consideration of the condition of the municipal bond market and other methods of selling its bonds, has determined to satisfy such terms and conditions and award the bonds to the Government.

On December 15, 2022, the Council held a public hearing on the proposed bond issue, in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF URBANNA:

ARTICLE I

Definitions

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

“Act” means the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended).

“Additional Bonds” means any bonds issued pursuant to Article VI and secured on parity with the Initial Bonds by a pledge of the Pledged Revenues.

“Authorized Officers” means the Mayor, Vice Mayor and Town Manager of the Town, any one of whom may act.

“Bonds” means the Initial Bonds and any Additional Bonds issued under this resolution.

“Closing Date” means the date on which the Initial Bonds are delivered to the Government.

“Consulting Engineer” means the engineering firm or individual engineer as may be employed by the Town as Consulting Engineer in accordance with Section 7.5 of this resolution.

“Council” means the Council of the Town.

“Government” means the United States of America, its successors and assigns.

“Gross Revenues” means all revenues, income, and receipts derived or received by the Town from the operation and ownership of the System, including the interest income from the investment or deposit of money in any fund created by this resolution or a supplemental resolution in connection with the System, but “Gross Revenues” shall not mean or include any impact fees or developer fees charged by the Town for the construction of capital improvements or extensions to the System.

“Initial Bonds” means the Town’s water revenue bonds issued pursuant to this resolution.

“Maximum Amount” means \$1,056,000.00.

“Net Revenues” means Gross Revenues less Operating Expenses.

“Operating Expenses” means the reasonable and necessary expenses of operation, administration, maintenance and repair of the System, excluding any allowance for depreciation, the deposits or transfers to the Debt Service Fund or the Reserve Fund established in Section 4.3, and expenditures for capital improvements or extensions to the System.

“Pledged Revenues” has the meaning given that term in Section 4.4.

“Project” means capital improvements to the System, including a new water well, substantially as described in plans prepared by the Consulting Engineer and approved by the Town and the Government.

“System” means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Town and used in connection with the collection, supply, treatment, storage or distribution of water, as the same may from time to time exist.

“Town” means the Town of Urbanna, a body politic and corporate of the Commonwealth of Virginia.

## ARTICLE II

### Authorization of Project

Section 2.1. The Project. The Council authorizes the acquisition and construction of the Project. The Project may be modified by the Town; however, any modification shall have been approved and recommended in writing by the Consulting Engineer and the Government.



## ARTICLE III

### Authorization, Form, Execution, Delivery, Registration and Prepayment of Initial Bonds

Section 3.1. Authorization of Initial Bonds. Pursuant to the Act, there are authorized to be issued and sold water revenue bonds of the Town in a principal amount not to exceed the Maximum Amount (the “Initial Bonds”), to provide funds, together with other available funds, to finance the cost of the Project. To the extent permitted by § 15.2-2601 of the Act, the Council elects to issue the Initial Bonds under the provisions of the Act without regard to any charter, including the Town’s charter, or local or special act applicable to the Town.

Section 3.2. Award of Initial Bonds. After mature consideration of the methods of sale of the Initial Bonds and current conditions of the municipal bond market, the Council determines that it is in the best interest of the Town to accept the offer of the Government to purchase the Initial Bonds upon certain terms and conditions set forth in the Government’s letter dated January 14, 2022 addressed to the Town Manager, a copy of which have been presented to the Council at the meeting at which this resolution is adopted. Such offer is accepted, and the Council agrees to meet such terms and conditions.

### Section 3.3. Details of Initial Bonds.

- (a) The Initial Bonds shall be issued as one fully registered bond without coupons.
- (b) Subject to subsection (c) below, each of the Authorized Officers is authorized to determine and approve all of the other final details of the Initial Bonds, including but not limited to their description and series designation, dated date, interest rate or rates, and the dates and amounts of payments of principal and interest. An Authorized Officer’s determination and approval of the final details of the Initial Bonds shall be evidenced conclusively by such officer’s execution and delivery of the Initial Bonds in accordance with this resolution.
- (c) Despite anything contained in this resolution to the contrary:
  - (i) The original aggregate principal amount of the Initial Bonds will not exceed the Maximum Amount;
  - (ii) The per annum interest rate on the Initial Bonds will not exceed 1.75%; and
  - (iii) The due date of the last installment of principal will not be later than 40 years after the date of the Initial Bonds.

Payments on the Initial Bonds shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner of an Initial Bond at its address as it appears on the registration books, except that the final installment on an Initial Bond shall be payable upon presentation and surrender of that Initial Bond at the office of the Town Manager who is appointed Registrar for the Bonds.

Section 3.4. Alternate Provisions. At the request of the Government, each Initial Bond may be delivered as a fully registered bond in the alternative form in this resolution providing for principal advances to be made from time to time by the Government in an aggregate amount not to exceed the face amount of the Initial Bond. An authorized officer of the Government shall enter the amount and the date of each such principal advance on the Certificate of Principal Advances attached to an Initial Bond when the proceeds of such advance are delivered to the Town. Each such principal advance shall bear interest from the date of such advance so entered on the certificate.

Section 3.5. Prepayment. Installments of principal due on the Initial Bonds may be prepaid at the option of the Town at any time as a whole or in part from time to time (but if in part, in inverse order of their maturities), without premium, from any proceeds of the Initial Bonds remaining after completion of the Project, any proceeds derived by the Town from the sale or other disposition of a portion of the System, including the proceeds of insurance or condemnation awards, or any other source. Notwithstanding the above, the Town may at any time deliver moneys to the Government with instructions that such moneys be credited against future installments due on the Initial Bonds in inverse chronological order. Prepayments shall not affect the obligation of the Town to pay the remaining installments payable as provided in the Initial Bonds.

Section 3.6. Execution of Initial Bonds. The Initial Bonds shall be signed by one of the Authorized Officers and attested by the Clerk of the Town.

Section 3.7. Form of Initial Bonds. The Initial Bonds shall be in substantially the following form:

No. R-1

[\$amount]

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

TOWN OF URBANNA

Water Revenue Bond, Series of [year]

Dated: [date]

The Town of Urbanna, a body politic and corporate of the Commonwealth of Virginia (the “Town”), for value received, promises to pay, solely from the revenues described and pledged in the Bond Resolution, as defined below, to the payment of the principal of and interest on this bond, to the United States of America, or registered assigns, the principal sum [equal to the aggregate amount of principal advances shown on the attached Certificate of Principal Advances, but not to exceed the sum<sup>1</sup>] of

[amount] DOLLARS

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<sup>1</sup>Alternative language to be used if the Government requests provision for principal advances.

(\$[amount])

and to pay, solely from such source, to the registered owner hereof interest on the unpaid principal from the date [hereof] [of each principal advance shown on the attached Certificate of Principal Advances] until payment of the entire principal sum at the rate of [rate]% per year. Interest only is payable on [date] and [date]. Installments of combined principal and interest of \$[amount] are payable beginning [date], and continuing on the same day of each month thereafter until the principal of this bond is paid in full. Any payment on this bond shall be applied first to interest accrued to such payment date and then to principal. If not sooner paid, the final installment shall be due and payable 40 years from the date of this bond. Such installments shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose at the office of the Town Manager who has been appointed Registrar, except that the final installment shall be payable upon presentation and surrender hereof at the office of the Registrar.

This bond has been issued pursuant to the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”) and a resolution adopted by the Council of the Town (the “Council”) on December 15, 2022 (the “Bond Resolution”) under the Act. The purpose of this bond is to provide funds, together with other available funds, to finance costs of capital improvements to the Town’s water system, including a new water well. Reference is made to the Bond Resolution and any amendments to it for the provisions, among others, describing the pledge and covenants securing this bond, the nature and extent of the security, the terms and conditions upon which this bond is issued, the rights and obligations of the Town and the rights of the bondholder.

Capitalized terms used but not otherwise defined in this bond have the meanings given them in the Bond Resolution.

**Both principal of and interest on this bond are payable solely from the Gross Revenues of the System, and nothing in this bond or in the Bond Resolution shall be deemed to create or constitute a general obligation of or a pledge of the faith and credit of the Commonwealth of Virginia or any county, city, town or other political subdivision of the Commonwealth, including the Town.**

Pursuant to the Bond Resolution, the Town has pledged the Pledged Revenues to the payment of the principal of and interest on this bond. Additional bonds secured equally and ratably with this bond by a pledge of Pledged Revenues may be issued from time to time under the conditions, limitations and restrictions set forth in the Bond Resolution.

This bond is fully registered as to both principal and interest in the name of United States of America. Transfer of this bond may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

Installments of principal due on this bond may be prepaid at the option of the Town at any time as a whole or in part from time to time (but if in part, in inverse order of their maturities), without

premium. Prepayments of installments of principal shall not affect the obligation of the Town to pay the remaining installments payable as provided above.

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

IN WITNESS WHEREOF, the Town has caused this bond to be signed by the Mayor, Vice Mayor or Town Manager of the Town and attested by the Clerk of the Town.

ATTEST:

**[NOT FOR SIGNATURE]**

\_\_\_\_\_  
Clerk, Town of Urbanna

**[NOT FOR SIGNATURE]**

\_\_\_\_\_  
Mayor, Town of Urbanna

#### CERTIFICATE OF PRINCIPAL ADVANCES<sup>2</sup>

The amount and date of principal advances not to exceed the face amount of the bond shall be entered below by an authorized officer of the United States of America, when the proceeds of each such principal advance are delivered to the Town.

<u>Amount</u>	<u>Date</u>	<u>Authorized Signature</u>
<u>[amount]</u>	<u>[date]</u>	<u>[signature]</u>

Section 3.8. Registration and Exchange of Initial Bonds. Transfer of the Initial Bonds may be registered upon books maintained for that purpose at the office of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

Section 3.9. Delivery of Initial Bonds. The Authorized Officers and the Clerk of the Town are each authorized and directed to take all proper steps to have the Initial Bonds prepared and executed in accordance with their terms and to deliver the Initial Bonds to the Government upon payment or partial payment of the purchase price for it or upon the Government's agreement to disburse principal advances thereunder.

#### ARTICLE IV

#### Revenues and Funds

<sup>2</sup>Certificate of Principal Advances to be used if the Government requests provision for principal advances.

Section 4.1. Revenue Covenants. It is covenanted and agreed with the holder of the Bonds that so long as any Bonds are outstanding the Town will:

(a) fix, charge and collect such rates, fees and other charges to users of or for the services furnished by the System and from time to time revise such rates, fees and charges so as to produce sufficient Gross Revenues in each fiscal year to equal an amount required to pay (i) the Operating Expenses which shall accrue or become payable during the then current fiscal year and (ii) the amounts required by Section 4.3 to be paid during the then current fiscal year into the Debt Service Fund and the Reserve Fund established in Section 4.3;

(b) apply the Gross Revenues as provided in Section 4.3; and

(c) segregate and keep segregated from all other Town funds all Gross Revenues and keep proper records and accounts therefor, separate and apart from all other Town records and accounts.

Section 4.2. Free Service; Enforcement of Charges.

(a) So long as any Bonds are outstanding the Town shall not permit connections to or use of the System or provide any services of the System without making a charge therefor.

(b) If any rates, fees or charges for the use of and for the services furnished by the System shall not be paid within 60 days after the same shall become due and payable, or within such shorter time as may be determined by the Town, at the expiration of such period the Town shall disconnect the premises from the System or otherwise suspend service to such premises until such delinquent rates, fees or charges and any interest, penalties or charges for reconnection shall have been paid in full; provided, however, that such services shall not be suspended if, in accordance with Section 15.2-2119 of the Code of Virginia of 1950, as amended, the health officers shall have found and shall certify to the Town that suspending such services will endanger the health of the persons occupying such premises or the health of others.

(c) The Town shall take all such action as may be necessary to perfect liens upon real estate for the amount of any unpaid rates, fees, or charges described in Section 4.2(b) above or any unpaid connection charges or other charges so that such liens will be binding upon subsequent bona fide purchasers for valuable consideration without actual notice thereof.

Section 4.3. Funds. The following special funds are established and shall be held by the Town for the following purposes:

Construction Fund: To the extent they are not applied to pay interim financing for the Project, the proceeds from the sale of the Initial Bonds shall be deposited in a special bank account designated the Construction Fund and shall be applied to the cost of the Project. The Town shall preserve at its office accurate records available at all times which show that payments from the Construction Fund or, if applicable, advances under the Initial Bonds were made solely to pay costs of the Project. Any balance remaining in the Construction Fund shall, at the option of the Town, be used to prepay installments of principal and interest on the Initial Bonds or shall be transferred to the Reserve Fund.

Revenue Fund: All Gross Revenues shall be collected and, so far as may be practicable, deposited not less frequently than weekly in the Revenue Fund. Moneys on deposit in the Revenue Fund shall be used only in the manner and priority set out below.

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

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

Reserve Fund: Each month, after making the transfers to the Debt Service Fund and the Operating Fund required above, the Town shall transfer an amount equal to 10% of monthly installments of principal and interest on the Bonds from the Revenue Fund to the Reserve Fund until there has been accumulated and maintained therein an amount equal to twelve (12) such installments, after which no further deposits shall be required except to eliminate any deficiency in the Reserve Fund. The Reserve Fund shall be used, with the prior written approval of the Government, to make transfers to the Debt Service Fund to the extent necessary (a) to pay the principal of and interest on the Bonds as the same become due in the event the balance on the Debt Service Fund is insufficient therefor, (b) to pay the cost of repairing or replacing any damage to the System, or (c) to pay the cost of extensions or improvements to the System.

Any balance remaining in the Revenue Fund each month, after the transfers to the Debt Service Fund, the Operating Fund, and the Reserve Fund and are made as required above, may be used by the Town, with the Government's consent, for any lawful purpose.

Section 4.4. Pledged Revenues. As security for the payment of the principal of, premium, if any, and interest on the Bonds issued from time to time, the Town, pursuant to and in accordance with the provisions of the Act and Section 2.2-4902.1 of the Code of Virginia of 1950, as amended, pledges unto the holders of the Bonds all of the Town's right, title and interest to, in and under the following (the "Pledged Revenues"):

- (a) The Net Revenues;
- (b) The money and investments, including investment earnings thereon, on deposit from time to time in the Construction Fund, the Revenue Fund, the Operating Fund, the Debt

Service Fund, and the Reserve Fund, subject only to the right to make application thereof to other purposes as provided in this Resolution; and

(c) Such other properties and assets and interests in properties and assets as may hereafter be pledged to the payment of the Bonds pursuant to any supplemental resolution or which may be delivered, pledged, mortgaged, or assigned to the holders of the Bonds as security for the Bonds.

To the extent provided in Section 2.2-4902.1 of the Code of Virginia of 1950, as amended:

- a) The Pledged Revenues, whether presently held by the Town or in the future received by or otherwise credited to the Town, shall immediately be subject to the lien of such pledge without any physical delivery, control, filing or further act;
- b) The lien of such pledge shall have priority over any other obligations or liabilities of the Town, except as may be otherwise provided in this resolution; and
- c) The lien of each such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Town regardless of whether such persons have notice of such pledge.

Both principal of and interest on the Initial Bonds are payable solely from Gross Revenues of the System, and nothing in this resolution or in the Initial Bonds shall be deemed to create or constitute an indebtedness of or a pledge of the faith and credit of the Commonwealth of Virginia or any county, city, town or other political subdivision of the Commonwealth.

## ARTICLE V

### Security for Deposits and Investment of Funds

Section 5.1. Security for Deposits. All moneys on deposit with any bank or trust company shall be secured for the benefit of the Town and the holder of the Bonds in the manner required by the Virginia Security for Public Deposits Act (Chapter 44, Title 2.2, Code of Virginia of 1950, as amended) or any successor provision of laws.

Section 5.2. Investment of Funds. All moneys in the Construction Fund, Revenue Fund, the Operating Fund, the Debt Service Fund, and the Reserve Fund not immediately necessary for the purposes thereof may be invested by the Town in securities and deposits which are authorized by the laws of the Commonwealth of Virginia for public funds, all of which shall mature or be subject to redemption or withdrawal by the holder or depositor for the purposes of the funds. Any such investments shall be considered a part of such funds and the accounts therein and income therefrom and any profit or loss on the sale thereof shall be credited to or charged against such funds and accounts.

## ARTICLE VI

### Additional Bonds

Section 6.1. Issuance of Additional Bonds. The Town may issue additional bonds secured on a parity with the Bonds then outstanding by a pledge of the Pledged Revenues (the “Additional Bonds”) to finance (i) the cost of completing the Project, (ii) the cost of acquisition or construction of improvements, extensions, additions and replacements to the System or other facilities, properties or undertakings that the Town claims to be useful or convenient for the System, (iii) to refund any Bonds, or (iv) any combination of the foregoing. Additional Bonds shall be in such form, shall be dated such date, shall mature in such installments of principal and interest, shall bear interest at such rate or rates, shall be in such denomination or denominations and may contain such provisions for prepayment prior to their respective maturities, all as provided by the Council by resolution adopted prior to their issuance. Additional Bonds shall contain an appropriate series designation.

Section 6.2. Conditions of Issuance. The Town shall not issue any Additional Bonds unless there shall have been filed with the Town and, if the Government is the owner of either the Initial Bonds or any Additional Bonds, with the Government, the following:

(a) a certified copy of a resolution of the Council in form complying with the foregoing provisions specifying or providing for all the terms of the Additional Bonds and, if applicable, stating the cost of the acquisition or construction of any improvements, extensions, additions and replacements to the System to be acquired or constructed or of the other facilities, properties or undertakings and finding and ordering that such improvements, extensions, additions and replacements shall be a part of the System or that such other facilities, properties or undertakings are useful or convenient for the System;

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

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

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

(e) a certificate of the Town, signed by an Authorized Officer, that the Town is in compliance with all covenants and undertakings in connection with this resolution and any supplemental resolution authorizing Additional Bonds which remain outstanding;

(f) if the Initial Bonds or any Additional Bonds are held by the Government, the written consent of the Government to the issuance of the Additional Bonds; and



(g) the written opinion or opinions of counsel for the Town stating that the issuance of the Additional Bonds has been duly authorized and that all conditions precedent to their delivery have been fulfilled.

## ARTICLE VII

### Particular Covenants

Section 7.1. Payment of Initial Bonds. The Town shall pay promptly, as provided in the Initial Bonds, the principal of and interest on the Initial Bonds, but such principal and interest shall be payable solely from Gross Revenues, and nothing in the Initial Bonds or in this resolution shall be deemed to create or constitute a general obligation of or a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth.

Section 7.2. Construction of Project. The Town shall obtain all approvals, permits and consents required by law as a condition precedent to the acquisition, construction, development and operation of all parts of the Project and shall complete the construction of the Project in a sound and economical manner and in conformity with all applicable requirements of the Government and all other governmental authorities and do all acts and things necessary and reasonable so that the Town may begin to collect revenues from the Project at the earliest practicable time.

Section 7.3. Operation and Maintenance. The Town shall operate the System in an efficient and economical manner, maintain the same in good condition and make all necessary repairs, replacements and renewals. All compensation, salaries, fees and wages paid by it in connection with the operation, maintenance and repair of the System shall be reasonable. The Town shall observe and perform all of the terms and conditions contained in the Act and comply with all applicable state and federal laws.

Section 7.4. Competition. The Town shall not operate or assent to the operation of any utility service in competition with the System.

Section 7.5. Consulting Engineer. At the Government's request, the Town shall employ as Consulting Engineer an engineering firm or individual engineer of recognized standing and experience in the field of civil engineering registered in the Commonwealth of Virginia, whose duties shall include supervision of the construction of the Project and advice as to proper operation, maintenance and repair of the System.

Section 7.6. Sale or Encumbrance. The Town shall not sell, transfer, lease or otherwise encumber the System or any portion thereof, nor permit others to do so, without the prior written consent of the Government.

Section 7.7. Title to Lands. All parts of the System shall be located on lands to which title in fee simple or over which valid perpetual easements, in either case sufficient for the purposes of the System, are owned by the Town.

Section 7.8. Records and Reports. The Town shall establish and maintain such books and records relating to the operation of the System and its financial condition and provide for an annual audit, all in such manner as may be required by the Government. Copies of all such audits shall be submitted to the Government as soon as they are obtained by the Town. The Town shall prepare and submit to the Government such additional information and reports as the Government may from time to time reasonably require.

Section 7.9. Access to Books and System. The Town shall provide to the Government at all reasonable times access to all books and records relating to the System and access to the property of the System so that the Government may ascertain that the Town is in compliance with all the provisions of this resolution and all other instruments incident to the purchase of the Initial Bonds by the Government.

## ARTICLE VIII

### Defaults and Remedies

Section 8.1. Default and Remedies. Upon default by the Town (a) in the payment of principal of or interest on the Bonds or (b) in the performance of any covenant or agreement contained in the Bonds or in this resolution the holders of a majority in aggregate principal amount of the Bonds at their option may:

(a) declare the entire unpaid principal amount of the Bonds then outstanding and accrued interest thereon to be immediately due and payable;

(b) incur and pay such reasonable expenses for the account of the Town as may be necessary to cure the cause of any default;

(c) proceed to protect and enforce their rights under the Bonds and this resolution by a suit, action or special proceeding at law or in equity, either for the specific performance of any covenant or agreement or execution of any power or for the enforcement of any proper legal or equitable remedy as may be deemed most effectual to protect and enforce such rights, including, without limitation, the fixing of rates and the collection and proper application of the revenues of the System and the appointment of a receiver having full power to administer and operate the System.

Section 8.2. Remedies Cumulative. No remedy conferred by this resolution is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing in equity, at law or by statute.

## ARTICLE IX

### Miscellaneous

Section 9.1. Contract with Bondholders. The provisions of this resolution shall constitute a contract between the Town and the holders of the Bonds for so long as the Bonds and interest thereon are outstanding.

Section 9.2. Authority of Officers and Agents. The officers and agents of the Town shall do all acts and things required of them by this resolution, the Bonds and the Act for the complete and punctual performance of all the terms, covenants and agreements contained therein.

Section 9.3. Limitation of Rights. Nothing expressed or mentioned in or to be implied from this resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the holders of the Bonds any legal or equitable right, remedy or claim under or in respect to this resolution or any covenants, conditions and agreements herein contained; this resolution and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Bonds as herein provided.

Section 9.4. Limitation of Liability of Officials of Town. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Town in his individual capacity, and neither the members of the Council nor any officer of the Town executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee or agent of the Town shall incur any personal liability with respect to any other action taken by him pursuant to this resolution or the Act, provided he acts in good faith.

Section 9.5. Conditions Precedent. Upon the issuance of any Bond all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this resolution to happen, exist and to be performed precedent to or in the issuance of such Bond shall have happened, exist and have been performed.

Section 9.6. Repealer. All resolutions, or parts thereof, in conflict herewith are hereby repealed except such resolutions as may have been adopted by the Council at the specific request of the Government as a condition to its purchase of the Initial Bonds.

Section 9.7. Severability. If any court of competent jurisdiction shall hold any provision of this resolution to be invalid or unenforceable, such holding shall not invalidate any other provision of this resolution.

Section 9.8. Successors and Assigns. All the covenants, stipulations, promises and agreements of the Town in this resolution shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 9.9. Headings. Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

Section 9.10. Filing of Resolution. The Clerk of the Town is directed to file a certified copy of this resolution with the Circuit Court of Middlesex County, Virginia, pursuant to Section 15.2-2607.

Section 9.10. Bond Anticipation Note. In anticipation of the issuance of the Initial Bonds and of the receipt of the proceeds from their sale, the Town may borrow money and issue its notes for

the purpose for which the Initial Bonds have been authorized, in a principal amount not to exceed the principal amount of the authorized Initial Bonds. The form, detail and payment of such bond-anticipation notes will be determined by the Council before their issuance.

Section 9.11. Effective Date. This resolution shall take effect immediately upon its adoption.

PROPOSED

\* \* \*

The Town Clerk of the Town of Urbanna, Virginia, certifies that:

- (a) the foregoing is a true, complete and correct copy of a resolution adopted by the Council of the Town at a meeting of the Council held on December 15, 2022;
- (b) the meeting was a duly called, noticed and held regular meeting;
- (c) during the consideration of the foregoing resolution, a quorum was present; and
- (d) the name of each member of Council voting on the adoption of the foregoing resolution and his or her vote were recorded at the meeting as follows:

<u>Members</u>	<u>Attendance</u>	<u>Vote</u>
Barbara Hartley, Mayor		
Marjorie Austin		
Larry Chowning		
William Goldsmith		
Merri Hanson		
Steven Hollberg		
William Smith		

WITNESS MY HAND this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Martha Rodenburg, Town Clerk

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United States Department of Agriculture

Rural Development

January 14, 2022

RD Sub-Office

1606 Santa Rosa  
Road, Room 238  
Henrico, VA 23229

Voice: 804-287-1599  
Fax: 855-636-4613

Mr. Garth Wheeler, Town Manager  
Town of Urbanna  
45 Cross Street  
Urbanna, VA 23175

Dear Mr. Wheeler:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application for financial assistance from Rural Development. The Rural Development staff administers this financial assistance on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development, both of which may be referred to throughout this letter as the Agency. Any changes in project costs, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

This letter is not to be considered as approval of financial assistance or as a representation as to the availability of funds. The financial package may be completed on the basis of a Rural Development loan not to exceed \$1,056,000, for a total project cost of \$1,056,000.

By accepting this loan, you agree to refinance (graduate) the unpaid loan balance, in whole or in part, upon Rural Development's request. If at any time Rural Development determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, we will request that you refinance. Your ability to refinance will be assessed every other year on loans that are five years old or older.

For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Rural Development loan funds. The approving official may make an exception when interim financing is cost prohibitive or unavailable. Prior to advertising for bids, you must provide Rural Development with a copy of the tentative agreement reached in connection with interim financing for review and approval.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel, and accountant. All parties may access information and regulations referenced in this letter at our website located at [www.rd.usda.gov](http://www.rd.usda.gov). **Any form, bulletin, or guide identified in this letter will be provided upon request.**

The conditions referred to in the first paragraph of this letter are as follows:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

1. Project Description and Budget – Funds will be used to construct a new well, along with the abandonment of an existing well, and related appurtenances. Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred in by Rural Development.

Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs</u>	<u>Total Budgeted</u>
Construction	\$ 734,000
Legal and Bond Counsel Fees	30,000
Engineering Fees:	
Basic	\$ 35,000
Additional - Observation and Testing	101,000
Interest	45,900
Project Contingency	<u>110,100</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$ 1,056,000</b>

2. Project Funds – Project funding is planned from the following sources and amounts:

<u>Project Funding Source</u>	<u>Funding Amount</u>
Rural Development Loan	\$ 1,056,000
<b>TOTAL PROJECT FUNDING</b>	<b>\$ 1,056,000</b>

Any changes in funding sources following obligation of Rural Development funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. You must assure that all project funds are expended only for the eligible items included in the project budget of this letter of conditions or as amended by Rural Development in writing at a later date.

After providing for all authorized costs, any remaining Rural Development project funds will be applied as an extra payment to your loan.

3. Organizational Documents – The documents creating your entity have been reviewed and found to be acceptable.
4. Forms – You will be required to execute certain Agency forms in order to obtain financial assistance from Rural Development. A Resolution of Governing Body appointing an authorized representative to execute all forms must be provided. You must also provide minutes from the meeting at which the Resolution of Governing Body is adopted. Your signature on all required forms indicates your agreement to abide by all covenants outlined in the forms.



**Rural Development acknowledges receipt of your Resolution of Governing Body and minutes from the meeting.**

5. Notice of Intent to Apply – Within sixty (60) days of filing an application for financial assistance from Rural Development, you must publish a notice of intent to apply in a newspaper of general circulation in the proposed service area.
6. Public Meeting Requirement – You will be required to inform the general public about the proposed project by holding at least one public information meeting prior to the approval of your financial package. This meeting will give the citizenry an opportunity to become acquainted with the proposed project and voice any comments and/or concerns. Ten (10) days prior to the meeting, you will be required to publish a notice of the meeting in a newspaper of general circulation in the proposed service area. You will be required to provide Rural Development with a copy of the published notice, along with minutes from the meeting.
7. Bond Counsel – The services of a recognized bond counsel are required. In accordance with 7 CFR 1780, Subpart D, bond counsel will prepare the form of Bond Resolution to be used. You should immediately provide your bond counsel with a copy of this letter of conditions. The bond documents must reflect that you must maintain a 10% debt service reserve.

The final bond transcript must include a copy of the adopted Rate Ordinance/Resolution, along with the rules and regulations of the water utility.

8. Security – The loan must be secured by a Revenue Bond, a pledge of the net revenues of your water utility of first priority, and other agreements between you and Rural Development as set forth in the Bond Resolution, which must be properly adopted and executed by the appropriate officials of your organization.

The bond and any resolution relating thereto must not contain any provisions in conflict with RUS Bulletin 1780-27, applicable regulations, or authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 United States Code (USC) 1983.

Additional security requirements are contained in RUS Bulletin 1780-27, Loan Resolution. A copy of the minutes from the meeting at which the Loan Resolution is adopted must be provided to Rural Development.

A draft of all security instruments, including the bond resolution, form of bond, and bond counsel opinion, must be reviewed and concurred in by Rural Development prior to advertising for bids. Both the Bond and Loan Resolutions must be fully executed prior to closing.

9. Loan Repayment – The loan will be scheduled for repayment over a period of 40 years. Payments for the 480 months will be equal amortized monthly installments. For planning purposes, use a 1.75% interest rate and a monthly amortization factor of .00290, which provides for a monthly payment of \$3,063.00.

Unless you choose otherwise, the interest rate will be the lower of the rate in effect at the time of loan approval or the time of closing. Should the interest rate outlined above be reduced at closing, your payment will be recalculated based on the lower rate. The payment due date will be established as the day the loan closes. If closing takes place on the 29<sup>th</sup>, 30<sup>th</sup>, or 31<sup>st</sup>, the payment due date will be the 28<sup>th</sup>.

Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, Authorization Agreement for Preauthorized Payments, for all new **AND** existing indebtedness to Rural Development prior to closing, which will allow for your payment to be electronically debited from your account on the day your payment is due.

10. Prepayment and Extra Payments – Prepayments of scheduled installments, or any portion thereof, may be made at any time with no penalty. Security instruments, including bond documents, must contain the following language regarding extra payments:

Prepayments of scheduled installments, or any portion thereof, may be made at any time. Refunds, extra payments, and loan proceeds obtained from outside sources for the purpose of paying down this debt shall, after payment of interest, be applied to the installments last to become due and shall not affect the obligation to pay the remaining installments as scheduled.

11. Legal Services Agreement – You will be required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, as well as a “not to exceed” amount for the services, including reimbursable expenses. RUS Bulletin 1780-7 may be used as a guide in preparing the agreement. The agreement must be concurred in by Rural Development prior to advertising for bids. Any changes to the fees or services outlined in the original agreement must be reflected in an amendment to the agreement and have prior Rural Development concurrence.
12. Code of Conduct/Conflict of Interest Policy – You must adopt and maintain a written code or standards of conduct which shall govern the performance of your officers, employees, or agents engaged in the award and administration of contracts supported by Rural Development funds. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Rural Development funds if a conflict of interest, real or apparent, would be involved.
13. System Users – This letter of conditions is based upon your indication (at the application stage) that there will be at least 507 residential and 79 non-residential users on the water system when construction is completed.

Before Rural Development can agree to the project being advertised for construction bids, you must certify that the number of users specified at the application stage are currently using the system and/or have signed up to use the

system once it is operational. If the actual number of existing and/or proposed users is less than the number indicated at the time of application, you must provide Rural Development with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project, i.e., increase user rates, sign up an adequate number of other users, reduce project scope, etc. Similar action is required if there is cause to modify the anticipated flows or volumes.

Evidence of users will consist of your written certification as to the number of users actually connected to and using the existing system (paying monthly bills).

14. Delayed Payment Penalty – On all user accounts not paid in full within twenty (20) days from the date of bill, ten percent (10%) will be added to the net amount due. If any bill is not paid within sixty (60) days after the due date, service to the customer will be discontinued. Service will not be restored until all past due bills have been paid in full and all accrued penalties, plus a reconnection charge, have been paid.
15. Proposed Operating Budget and User Rate Analysis – Prior to written authorization from Rural Development to proceed with the bidding phase, you will be required to submit a copy of your proposed annual operating budget and rate analysis which supports the proposed loan repayment. The operating budget should be based on a typical year's cash flow subject to completion of this project in the first full year of operation. The rate analysis will be required to show the number of users, their average consumption based on a twelve-month consecutive average, and a rate structure to support the necessary revenue to make the operating budget cash flow. Form RD 442-7, Operating Budget, or similar form may be utilized for this purpose.

**You must establish, adopt, and maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves. This rate schedule must provide for monthly revenue (generated by connections) totaling \$26,535 (which equals \$38.85 per equivalent dwelling unit). Prior to requesting authorization to bid, you must provide:**

- a. **A draft rate resolution**
- b. **A use and income analysis and operating budget. These documents must be based on the anticipated active customers, and the budget must show repayment ability.**

**Prior to closing or the start of construction, whichever occurs first, you must provide evidence that the rate resolution has been adopted, as well as evidence indicating the rates will be placed into effect at the beginning of the first full year of operation after construction of this project.**

It is expected that operation and maintenance will change over each successive year, and user rates will need to be adjusted on a regular basis. Technical assistance

is available at no cost to help you evaluate and complete a rate analysis on your system. If you are interested, please contact our office for more information.

16. Property Rights – Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate, continuous, and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over lands and rights will be evidenced by the following:
  - a. Right-of-Way Map – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
  - b. Form RD 442-20, Right-of-Way Easement – This form may be used to obtain any necessary easements for the proposed project. If this form is not utilized, a copy of the easement to be used must be approved by Rural Development. Each executed easement need not be provided this office; however, each must be available for Rural Development review.
  - c. Form RD 442-21, Right-of-Way Certificate – You will provide a certification on this form that all rights-of-way have been obtained for the proposed project. This form may contain a few exceptions, such as properties that must be condemned, and you must provide the estimated date for obtaining any rights-of-way listed as exceptions. Prior to start of construction or closing, whichever occurs first, a new Form 442-21, which does not provide for any exceptions, must be provided.
  - d. Form RD 442-22, Opinion of Counsel Relative to Rights-of-Way – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way. This form may contain a few exceptions, such as properties that must be condemned, and your attorney must provide the estimated date for obtaining any rights-of-way listed as exceptions. Prior to start of construction or closing, whichever occurs first, a new Form 442-22, which does not provide for any exceptions, must be provided.
  - e. Preliminary Title Opinion – When applicable, your attorney will provide a preliminary title opinion for all property, both currently owned and to be acquired, related to the facility. Copies of deeds, contracts, or options must also be provided. Form RD 1927-9, Preliminary Title Opinion, may be used.
  - f. Final Title Opinion – Prior to closing or start of construction, whichever occurs first, your attorney must furnish a final title opinion for all property, both currently owned and newly acquired, related to the facility. Copies of recorded deeds for any newly acquired property must also be provided. Form RD 1927-10, Final Title Opinion, may be used.

The Rural Development approval official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful

operation, security value, or transferability of the facility. Any such waivers must be provided by the approval official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. Rural Development may require an appraisal by an independent appraiser or Rural Development employee in order to validate the price to be paid.

If rights-of-way are not needed for the proposed project, a certification to that effect from your attorney will satisfy items a through d above.

17. Reserves – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated, emergency maintenance and repairs and assist with debt service should the need arise. The following reserves are required to be established as a condition of this financial assistance:
  - a. Short-Lived Asset Reserve – You must establish a short-lived asset reserve fund. Based on the Preliminary Engineering Report, you must deposit at least \$10,400 annually into this reserve fund for the life of the loan to pay for repairs and/or replacement of major system assets. It is your responsibility to assess your utility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.
  - b. Operation and Maintenance Reserve – Current assets will be used to establish and maintain a reserve for unanticipated operation and maintenance expenses. The amount required to be set aside is \$33,677, which equates to a 25% reserve based on estimated operation and maintenance expenses during the first full year of operation after construction.
  - c. Debt Service Reserve – As a part of this loan proposal, you must establish a restricted debt service reserve fund equal to at least one annual loan installment. Deposits into the reserve fund will begin at the same time amortized loan installments begin. The reserve will be accumulated at the rate of 10% of each loan installment for a period of 10 years. Ten percent of the proposed loan installment would equal \$306.30 per month and should be deposited monthly until a total of \$36,756.00 has been accumulated. This reserve must be maintained throughout the life of the loan, and prior written concurrence from Rural Development must be obtained before funds may be withdrawn from the account. If funds are withdrawn, deposits will continue as outlined above until the reserve is fully replenished.
18. Insurance and Bonding Requirements – Prior to the start of construction or closing, whichever occurs first, you must acquire and submit to Rural Development proof of the types of insurance and bond coverage. The use of deductibles may be allowed, provided you have the financial resources to cover potential claims requiring payment of the deductible. Rural Development strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible

provisions. It is your responsibility to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – Include vehicular coverage.
- b. Workers' Compensation – In accordance with appropriate State laws.
- c. Fidelity or Employee Dishonesty Bonds – Include coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of all outstanding Rural Development loans. Rural Development will be identified in the fidelity bond for receipt of notices. Form RD 440-24, Position Fidelity Schedule Bond, or similar format may be used.
- d. National Flood Insurance – If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of closing.
- e. Real Property Insurance – Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein, in an amount equal to the insurable value thereof. This does not apply to water reservoirs, standpipes, elevated tanks, or noncombustible materials used in treatment plants, clearwells, filters, and the like. Rural Development will be listed as mortgagee on the policy if Rural Development has a lien on the property.

Insurance types described above are required to be continued throughout the life of the loan.

19. Other Professional Services Contracts – In addition to contracts specifically mentioned in this letter of conditions, Rural Development must review and accept any and all contracts between the owner and any professional services provider, i.e., local counsel, bond counsel, auditor, accountant, financial advisor, etc. These contracts must be provided for our review prior to closing.
20. Permits – Prior to advertising for bids, the owner or responsible party is required to obtain all applicable permits for the project. With submission to Rural Development of the final plans, specifications, and bid documents, the consulting engineer must identify and address the need and adequacy of all certificates, permits, licenses, etc., needed for the construction and operation of the facility. Written evidence must also be submitted that all applicable permits needed prior to construction have been obtained.

21. Environmental – At the conclusion of this proposal’s environmental review process, specific actions were determined necessary to avoid or minimize adverse environmental impacts. The following actions are required for successful completion of the project and must be adhered to during project design and construction:
- a. All required federal, state, and local permits will be obtained prior to beginning any construction activities.
  - b. For any land-disturbing activities equal to or exceeding 10,000 square feet, or equal to or exceeding 2,500 square feet in all areas subject to the Chesapeake Bay Preservation Act, an erosion and sediment control (ESC) plan must be approved by the appropriate local agency and approval official. Depending on local requirements, the area of land disturbance requiring an ESC plan may be less. The ESC plan must be approved by the locality prior to any land-disturbing activity at the project site. All regulated land-disturbing activities associated with the project, including on- and off-site access roads, staging areas, borrow areas, stockpiles, and soil intentionally transported from the project must be covered by the project specific ESC plan. [References: Virginia Erosion and Sediment Control Law, Virginia Code 62.1-44.15 et seq.; Virginia Erosion and Sediment Control Regulations, 9VAC 25-840-30 et seq.]
  - c. If Karst features are encountered during the project, please coordinate with Wil Orndorff at the Virginia Department of Conservation and Recreation (DCR) to document and minimize any adverse impacts. If the project involves filling or “improvement” of sinkholes or cave openings, DCR would like detailed location information and copies of the design specifications. In cases where sinkhole improvement is for stormwater discharge, copies of the Virginia Department of Transportation’s (VDOT) Form EQ-120 will suffice. A link to the “Karst Assessment Guidelines” developed by the Virginia Cave Board for land development can be found at <http://www.dcr.virginia.gov/natural-heritage/cavehome>. Mr. Orndorff may be reached at (540) 553-1235 or [Wil.Orndorff@dc.virginia.gov](mailto:Wil.Orndorff@dc.virginia.gov).
  - d. Fugitive dust caused by the movement of construction materials and construction equipment will be controlled by adherence to the Virginia Department of Environmental Quality’s (DEQ) regulations and 9 VAC 5-50-60, et seq., which governs the abatement of visible emissions and fugitive dust emissions. Measures include, but are not limited to, the following: use, where possible, of water or chemicals for dust control; installation and use of hoods, fans, and fabric filters to enclose and vent the handling of dusty materials; covering of open equipment for conveying materials; and prompt removal of spilled or tracked dirt or other materials from paved streets and removal of dried sediments resulting from soil erosion. Land-clearing wastes (vegetative debris) generated during construction should be properly managed in accordance with applicable regulations and local ordinances. Shredding/chipping of vegetative debris and reuse on-site is recommended over open burning. If project activities include open burning or the use of special incineration devices, this activity must meet the requirements under 9

VAC 5-130-10 through 9 VAC 130-60 and 9 VAC 5-130-100 of the regulations for open burning. In addition, the regulations provide for, but do not require, the local adoption of a model ordinance concerning open burning. The applicant should contact local fire officials to determine what local requirements, if any, exist. Contact the local DEQ Regional Office with questions related to air pollution control and permitting.

- e. Construction will be limited to normal daylight hours, Monday through Friday, except in emergency situations.
- f. When encountering inadvertent or unanticipated discoveries, the following requirements will be implemented and included in on-site construction documents:
  - 1. Inadvertent discoveries on state and private lands shall comply with applicable state notification standards, federal laws, 36 CFR Part 800.13, and the Advisory Council on Historic Preservation's Policy Statement Regarding Treatment of Burial Sites, Human Remains, or Funerary Objects (February 23, 2007). Applicants shall ensure that their contractors maintain a copy of the inadvertent discoveries plan on site for review.
  - 2. Discoveries on private and state lands:
    - a. If historic properties are discovered, all work, including vehicular traffic, must immediately stop within a 50-foot radius of the discovery.
    - b. If discoveries are made that contain burial sites or human remains, all work, including vehicular traffic, must immediately stop within a 100-foot radius of the discovery.
    - c. For all discoveries, work should also stop in the surrounding area where further historic properties, subsurface burial sites, or human remains can reasonably be expected to occur.
    - d. The relevant law enforcement authorities will be immediately contacted by on-site personnel to reduce delay times in accordance with tribal, state, or local laws. If law enforcement determines the remains to not be part of a criminal investigation or a crime scene, the applicant will notify the Rural Utilities Service (RUS), the State Historic Preservation Office, and Indian tribes. The evaluation of human remains will be conducted at the site of discovery by a Secretary of the Interior (SOI) qualified professional. Remains that have been removed from their primary context and where that context may be in question may be retained in a secure location, pending further decisions on treatment and disposition.
    - e. Within 48 hours of receiving notification of an inadvertent discovery, the applicant and appropriate local authorities will inspect the work site to ensure that all work, including vehicular traffic, has ceased and protect the area of discovery from looting and vandalism.



- f. All archaeologists or other specialists, as appropriate, employed in response to inadvertent discoveries will be SOI-qualified and have the knowledge to assess the resources within an undertaking's area of potential effect.
  - g. Work may continue in other areas of the undertaking where no historic properties, burial sites, or human remains are present. If the inadvertent discovery appears to be a consequence of illegal activity such as looting, the on-site personnel will contact the appropriate legal authorities immediately if the landowner has not already done so.
  - h. Work may not resume in the area of the discovery until a notice to proceed has been issued by the RUS. RUS will not issue the notice to proceed until it has determined that the appropriate local protocols and consulting parties have been consulted.
- 3. Inadvertent discoveries on federal and tribal land shall follow the processes required by the federal or tribal entity.
- g. All work with the potential to effect roadways or other transportation facilities will be reviewed and coordinated with the VDOT District Office and the Local Residency Office. Construction along roadways will require some flagging of traffic; however, road closures will be limited and will be coordinated with VDOT and the County. Road signs should be provided to alert drivers, bicyclists, and pedestrians of utility and construction work ahead and any detours necessary to navigate around the utility work. All VDOT permits will be obtained prior to construction.
- h. Depending on local requirements, a Stormwater Management (SWM) plan may be required. SWM requirements should be requested from the appropriate County/Town office. [References: Virginia Stormwater Management Act, Virginia Code 62.1.44.15 et seq.; Virginia Stormwater Management Program Permit Regulations, 9 VAC 25-870-54 et seq.] Additional guidance may be obtained from DEQ's Office of Stormwater Management.
- i. For any land-disturbing activities equal to or exceeding one acre, or equal to or exceeding 2,500 square feet in all areas of the jurisdictions designated as subject to the Chesapeake Bay Preservation Area Designation and Management Regulations adopted pursuant to the Chesapeake Bay Preservation Act, the operator or owner of a construction project is required to register for coverage under the General Permit for Discharges of Stormwater from Construction Activities (VAR10) and develop a project-specific stormwater pollution prevention plan (SWPPP). The SWPPP must be prepared prior to submission of the registration statement for coverage under the general permit, and it must address water quality and quantity in accordance with the Virginia Stormwater Management Program (VSMP) Permit Regulations. General information and registration forms for the General Permit are available from DEQ at <http://www.deq.virginia.gov/Programs/Water/StormwaterManagement/VSM>

[PPermits/ConstructionGeneralPermit.aspx](#). [References: Virginia Stormwater Management Act, Virginia Code sections 62.1-44.15 et seq.; VSMP Permit Regulations, 9 VAC 25-870-10 et seq.]

- j. Solid wastes generated at the site will be reduced at the source, reused, or recycled. All hazardous wastes will be minimized. Any soil or groundwater that is suspected of contamination or wastes that are generated during construction-related activities must be tested and disposed of in accordance with applicable federal, state, and local laws and regulations. All construction waste, including excess soil, must be characterized in accordance with the Virginia Hazardous Waste Management Regulations prior to disposal at an appropriate facility. It is the generator's responsibility to determine if solid waste meets the criteria of a hazardous waste and is subsequently managed appropriately. If evidence of a petroleum release is discovered during implementation of this project, it must be reported to DEQ, authorized by Virginia Code Section 62.1-44.34.8 through 9 and 9 VAC 25-580-10, et seq. The removal, relocation, or closure or the installation and operation of any regulated petroleum storage tanks [above-ground storage tank (AST) or underground storage tank (UST)] must be conducted in accordance with the requirements of the Virginia Tank Regulations 9 VAC 25-91-10, et seq. (AST) and/or 9 VAC 25-580-10, et seq. (UST). Contact the local DEQ Regional Office concerning the location and availability of waste management facilities in the project area, report petroleum contamination, or to register fuel storage tanks.
- k. The use of herbicides or pesticides for construction or landscape maintenance should be in accordance with the principles of integrated pest management. The least toxic pesticides that are effective in controlling the target species will be used.
- l. Principles of pollution prevention are to be incorporated into the project to maximum extent possible, including the consideration of environmental attributes of purchased materials; contractors' commitments to the environment; use of sustainable practices and materials in the infrastructure, construction, and design; and maintenance and operation activities to include source reduction (fixing leaks, energy efficient products).
- m. For unavoidable impacts to streams and wetlands, the following practices will be implemented: use of directional drilling from upland locations; operation of machinery and construction vehicles outside of stream-beds and wetlands; use of synthetic mats when in-stream work is unavoidable; stockpiling of material excavated from the trench for replacement if directional drilling is not feasible; and preservation of the top 12 inches of trench material removed from wetlands for use as wetland seed and root stock in the excavated area.
- n. If the project will impact any streams and/or wetlands, a Joint Permit Application (JPA) will be required. The Virginia Marine Resources Commission (VMRC) serves as the clearinghouse for the JPA used by:

1. U.S. Army Corps of Engineers for issuing permits pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbours Act;
  2. DEQ for issuance of Virginia Water Protection Permit pursuant to Section 401 of the Clean Water Act, Virginia Code Section 62.1-44.2, et seq., Virginia Code Section 62.1-44.15:5, and Virginia Administrative Code 9 VAC 25-210-10, et seq.; and
  3. VMRC regulates encroachments on or over state-owned subaqueous beds as well as tidal wetlands pursuant to Virginia Code Sections 28.2-1200 through 1400.
- o. Any impacts to floodplains will be unavoidable and temporary. No permanent structures will be constructed within the 100-year floodplain. All disturbed areas will be restored to pre-construction contours and all denuded areas will be re-vegetated immediately.
- p. Under Virginia regulations, 10-Day Notifications to the Virginia Department of Labor and Industry (DOLI) are required for **all** demolition projects, regardless of a structure's size or purpose and whether asbestos-containing materials are or are not present in the structure. An owner or operator planning the abatement or removal of asbestos-containing materials must notify the DOLI at least 10 days prior to start of removal/abatement activities.
- q. If a Phase I Environmental Site Assessment (ESA) is required for this project and was completed more than 180 days prior to the applicant's property acquisition date, the following five components of the Phase I ESA should be updated by the original report preparer to be within 180 days of property acquisition in order to make it possible for the applicant to be consistent with the U.S. Environmental Protection Agency's "all appropriate inquiries rule:"
1. Interviews with past and present owners, operators, and occupants;
  2. Searches for recorded environmental clean-up liens;
  3. Reviews of federal, tribal, state, and local government records;
  4. Visual inspections of the facility and of adjoining properties; and
  5. The declaration by the environmental professional.

**Your consulting engineer MUST insert the above mitigation measures in RUS Bulletin 1780-26, Attachment 6, Section 19.10, A.5. In addition, Item A.3, including (a) (i through vii), must be stricken in its entirety, as the mitigation measures above include more specific language related to inadvertent discoveries.**

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations, and/or permits may apply or be required. If the project or any element thereof deviates or is modified from the originally approved project, additional environmental review may be required.

22. Litigation – You are required to notify Rural Development within 30 days of receiving notification of being involved in any type of litigation. Additional documentation regarding the situation and litigation may be requested by Rural Development.
23. Technical, Managerial and Financial Capacity – It is required that members of the Board of Directors, Council members, trustees, commissioners, and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, as well as a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the particular individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. You may contact Rural Development for information.
24. Certified Operator – Evidence must be provided that your system has, or will have, as defined by applicable State or Federal requirements, a certified operator prior to the system becoming operational. Otherwise, a suitable supervisory agreement with a certified operator must be in place.
25. Form AD-1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions – Your responsibilities as a recipient of Federal funding will include the clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," in all lower tier transactions and in all solicitations for lower tier transactions that are expected to exceed \$25,000. Should the proposed transaction be entered into, you agree you shall not knowingly enter into any lower tier transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in the transaction, unless authorized by the Department or Agency entering into this transaction.

You may rely upon a certification of a prospective participant in a lower tier transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless you know the certification is erroneous. Each participant must execute Form AD-1048, and the executed form must remain a part of your files. You may, but are not required to, check the Non-Procurement List. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

If you knowingly enter into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, we may terminate this transaction for cause or default.

For additional information regarding responsibilities and reporting requirements, refer to 2 CFR Part 170, Appendix A.

26. American Iron and Steel (AIS) - Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies an AIS requirement to obligations made after May 5, 2017:
- a. No Federal funds made available for this fiscal year for the rural water, wastewater, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act (7 USC 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.
  - b. The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
  - c. The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the “Secretary”) or the designee of the Secretary finds that:
    1. Applying the requirement would be inconsistent with public interest;
    2. Iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
    3. Inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

**Owners are ultimately responsible for compliance with AIS requirements and will be responsible for the following:**

- a. **Signing loan resolutions, grant agreements, and letters of intent to meet conditions which include AIS language, accepting AIS requirements in those documents and in the letter of conditions.**
- b. **Signing change orders (i.e. C-941 of EJCDC) and partial payment estimates (i.e. C-620 of EJCDC) and thereby acknowledging responsibility for compliance with American Iron and Steel requirements.**
- c. **Obtaining the certification letters from the consulting engineer upon substantial completion of the project and maintaining this documentation for the life of the loan.**

- d. Where the owner provides their own engineering and/or construction services, providing copies of engineers', contractors', and manufacturers' certification letters (as applicable) to the Agency to insert into the Agency file. All certification letters must be kept in the engineer's project file and onsite during construction. For owner construction (force account), all clauses from this section must be included in the Agreement for Engineering Services.**
  - e. Where the owner directly procures AIS products, including AIS clauses in the procurement contracts and obtaining manufacturers' certification letters and providing copies to consulting engineers and contractors.**
- 27. Agreement for Engineering Services – You will be required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance and supplemented by Virginia's "Agreement for Engineering Services Guidance." Rural Development will provide concurrence prior to advertising for bids and must approve any modifications to the agreement.
- 28. Contract Documents/Procurement – Construction contracts will be competitively bid. Contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C, and must be submitted for Rural Development concurrence prior to advertising for bids. Contract documents must consist of the EJCDC construction contract documents, as well as the following:
  - a. The documents as listed in Virginia's "Construction Contract Documents Guidance," supplemented by RUS Bulletin 1780-26.
  - b. Plans and specifications and all addenda.

**You must also provide evidence that the appropriate State regulatory agency has concurred with the final design of the project.**

- 29. Bid Authorization – Rural Development may authorize you to advertise the project for construction bids once all the conditions outlined in this letter have been met. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening, you must provide Rural Development with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, (c) your recommendations for contract awards, and (d) a revised project budget based upon current prices. The revised project budget will not include a construction contingency greater than five (5) percent of the construction items. If, after bidding, it is determined there are Rural Development funds in excess of that necessary to complete the project, you will work with Rural Development to cancel funds not needed for successful completion of the project.

Once all parties agree the construction bids received are acceptable; adequate funds are available to cover the total facility costs; and all administrative conditions for approval of financial assistance have been satisfied, Rural Development will authorize you to issue the Notice of Award and closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met prior to closing.

**Closing instructions must be obtained prior to advertising for bids, and closing will not be scheduled until these instructions are received from Rural Development. When all parties agree that the closing requirements can be met, a mutually acceptable date for the closing will be scheduled.**

30. Cost Overruns – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding, or other means will be considered prior to commitment of subsequent funding from Rural Development. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
31. Contract Review – Your attorney will certify that the executed contract documents, including performance and payment bonds, if required, are adequate and that the persons executing these documents have been properly authorized to do so. Once your attorney has certified that they are acceptable, the contract documents will be submitted to Rural Development for concurrence. The Notice to Proceed cannot be issued until Rural Development has concurred with the construction contracts.
32. Resident Inspection – In discussions with your consulting engineer, it is Rural Development's understanding the project funds for "observation and testing" will serve as the "resident inspections." Your consulting engineer indicates another resident inspector is not necessary.
33. Preconstruction Conference – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with Rural Development, owner, resident inspector, attorney, contractor, other funders, and other interested parties and will provide minutes of this meeting to the owner and Rural Development.
34. Change Orders – Prior Rural Development concurrence is required for all change orders.
35. Payments – Prior Rural Development concurrence is required for all invoices and partial payment estimates before Rural Development and/or interim financing funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Rural Development concurrence. Invoices not related to a

construction contract or service agreement will include the owner's written concurrence.

36. Disbursement of Funds – Rural Development or interim financing funds will be advanced as they are needed in the amount necessary, over thirty-day periods, to cover Rural Development's proportionate share of any disbursements required of your organization. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/ Automated Clearing House (EFT/ACH). You will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. You should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be submitted to Rural Development prior to advertising for bids.

You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 Code of Federal Regulations (CFR), Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation, and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral in accordance with 31 CFR, Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

37. Use of Remaining Funds – Applicant contribution and connection or tap fees, if any, will be the first funds expended in the project, followed by non-Rural Development sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:
- a. Remaining funds may be used for eligible loan purposes provided the use will not result in major changes to the original scope of work and the purpose of the loan remains the same.
  - b. Loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.
38. Inspections – Rural Development requires pre-final and final inspections, as well as a warranty inspection. Your consulting engineer will schedule a warranty inspection with the contractor and Rural Development before the end of the warranty period to address and/or resolve any warranty issues. Rural Development will conduct an inspection with you of your records management system at the same time and will continue to inspect the facility and your records system every three years for the life of the loan.



39. Construction Completion Timeframe – All projects are required to be completed and all funds disbursed within five (5) years of obligation. If funds are not disbursed within five (5) years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence.
40. System for Award Management (SAM) – As the recipient, you must maintain the currency of your information in SAM.gov until (a) you submit to Rural Development the final financial report required by this award and (b) all funds under this award have been disbursed or cancelled, whichever is later. This requires that you review and update your information at least annually after the initial registration and more frequently if required by changes in your information or another award term. Recipients can register online at [www.sam.gov](http://www.sam.gov).
41. Vulnerability Assessment (VA) and Emergency Response Plan (ERP) – Rural Development requires all financed water and sewer systems to have a VA and ERP in place. Prior to bid authorization, you must provide certification that a VA and ERP are complete.

Every three years after the start of operations, you will be required to provide a certification that both the VA and ERP are complete and current. Technical assistance providers are available to provide on-site assistance if needed.

42. Reporting Requirements Related to Expenditure of Funds – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by the United States Department of Agriculture (USDA), through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from Rural Development. The audit must be prepared by an independent licensed Certified Public Accountant and must be submitted within nine (9) months of your fiscal year-end.

**If an audit is required, you must enter into a written agreement with the auditor and submit a copy to Rural Development prior to the advertisement of bids.** The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

Compensation for the preparation of this audit is not included in project funds and should be paid from the revenues generated from your system's operation.

43. Annual Financial Reporting/Audit Requirements – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be

certified by the appropriate organization official and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and must include, at a minimum, a balance sheet and income and expense statement. **The annual report will include separate reporting for each water and waste disposal facility and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility.** All records, books, and supporting materials are to be retained for three years after the issuance of the annual report. Technical assistance is available at no cost to assist with the preparation of financial reports.

The criteria for determining the type of financial report to be submitted are specified below:

- a. Audits – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from Rural Development. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant and must be submitted within nine (9) months of your fiscal year-end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to Rural Development prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

- b. Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit. These financial statements must include, at a minimum, a balance sheet and an income and expense statement. You may use Form RD 442-2, Statement of Budget, Income and Equity, and Form RD 442-3, Balance Sheet, or similar format to provide the financial information. The financial statements must be signed by the appropriate official and submitted within 60 days of your fiscal year-end.
- c. Quarterly Reports – Quarterly income and expense statements will be required until the processing office waives this requirement. You may use Form RD 442-2 or similar format to provide this information. The reports are to be signed by the appropriate borrower official and submitted within 30 days of

each quarter's end. Rural Development will notify you in writing when the quarterly reports are no longer required.

44. Annual Budget and Projected Cash Flow – Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, and a current listing of the Board or Council members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.

Technical assistance is available at no cost to assist with the evaluation and completion of a rate analysis and the preparation of your annual budget. If you are interested, please contact our office for information.

45. Security/Operational Inspections – Rural Development will inspect the facility and conduct a review of your operations and records management system every three years for the life of the loan. You must participate in these inspections and provide the required information.
46. Compliance Reviews and Data Collection – Rural Development will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines.

A compliance review will be conducted concurrent with closing or the start of construction, whichever occurs first, with subsequent compliance reviews conducted every three to six years. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. Rural Development will utilize this data as part of the required compliance review.

47. Statutory and National Policy Requirements – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:
  - a. Section 504 of the Rehabilitation Act of 1973 – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.
  - b. Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance

for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

- c. The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. Limited English Proficiency (LEP) under Executive Order 13166 – LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by Rural Development) informing users of these requirements, and Rural Development will monitor your compliance with these requirements during regular compliance reviews.

As a recipient of federal financial assistance, you must also comply with all applicable Federal, state, and local statutes, ordinances, regulations, and codes. The major portions of existing rules and regulations which must be met are included in RD Instruction 1780, Subparts B, C, and D. No modifications or waiver of any portion of these regulations is authorized. Such regulations shall govern regardless of any misinterpretation, omission, misunderstanding, or statements made by any Rural Development employee. The most critical requirements of the instructions have been highlighted or clarified in this letter.

We believe the information herein clearly sets forth the action which must be taken; however, if you have any questions, please do not hesitate to contact my office.

Please complete Form RD 1942-46, Letter of Intent to Meet Conditions, and Form RD 1940-1, Request for Obligation of Funds, if you desire that further consideration be given to your application.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, Rural Development reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of closing within twelve (12) months and it is determined the applicant still wishes to proceed, it may be necessary to review the conditions outlined in this letter. If during that review it is determined the conditions are no longer adequate, Rural Development reserves the right to require that the letter of conditions be revised or replaced.

Sincerely yours,

*Tara Kay Delaney*

*for* MYRON WOODEN  
Area Director  
USDA, Rural Development

cc: State Director, Rural Development, Richmond, VA  
Attorney  
Bond Counsel  
Accountant  
Engineer

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**Agenda Item Summary  
December 15, 2022**

**Agenda Item: 6-Minutes**

**Background:** Minutes for the following meetings  
October 27, 2022

**Fiscal Impact:** NA

**Staff Recommendation:** Approve

**Council Action Requested:** Yes

**Sample Motion(s):**

*Note: If changes are requested at the meeting, approval of the minutes will be postponed to the next meeting.*

Motion to approve the minutes for October 27, 2022 as presented

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**Town of Urbana  
Town Council  
Monthly Meeting  
Council Chambers-390 Virginia St. Suite B  
October 27, 2022**

**CALL TO ORDER & ROLL CALL**

Mayor Hartley called the meeting to order at 7:00pm

**Present**

Mayor Barbara Hartley  
Council Members  
    Marjorie Austin  
    Larry Chowning  
    Bill Goldsmith  
    Merri Hanson-arrived at 8:29  
    Steve Hollberg  
    Bill Smith  
Garth Wheeler-Town Administrator  
Roy Kime-Zoning Administrator  
Andrea Erard-Town Attorney  
Michele Hutton-Town Treasurer  
Martha Rodenburg-Town Clerk  
Members of the public

All present said the Pledge of Allegiance

Mayor Hartley announced VDOT was repairing sidewalks and the Town received notice from them the requested 4-way stop at Virginia and Cross Streets had been approved.

**APPROVAL OF AGENDA**

**Councilmember Austin made a motion to accept the agenda as presented**

**Councilmember Smith seconded**

**Austin, Chowning, Goldsmith, Hollberg, Smith, and Hartley voted yes  
Motion passed 6-0**

**APPROVAL OF MINUTES**

**Councilmember Austin made a motion to approve the September 8, 2022 minutes as presented**

**Councilmember Goldsmith seconded**

**Austin, Chowning, Goldsmith, Hollberg, Smith, and Hartley voted yes  
Motion passed 6-0**

## **REPORTS**

### **Town Administrator**

#### Boundary Line Adjustment

- Bay Design has removed two parcels along Red Hill from proposal
- Mr. Wheeler is scheduling a meeting with Matt Walker, Middlesex County Administrator, and Heather Lewis, Middlesex County Attorney, as well as individual Board of Supervisors, to address any concerns they have
- Plans to make a presentation at the Board of Supervisors meeting in December

#### Oyster Festival

- November 4<sup>th</sup> & 5<sup>th</sup>
- VDOT permit received
- Schedule of events posted and placed in the newspaper

#### Town Marina

- Docks of the Bay has been contacted regarding the approved repairs to main walkway and shoreline
- BIG funds have been approved to cover 75% of the \$50,000 cost

#### Sidewalk Repairs

- VDOT in process of repairing sidewalk on south side of Watling Street
- Sidewalk and curbing repairs on Virginia Street to take place after first of the year

#### Christmas Parade

- To be held Friday, December 2<sup>nd</sup>
- Town staff will be assisting Lois Brooks and filing for the permit

Presentations will be made by the Pool Committee and the Urbanna Creek Committee, and Mr. Wheeler thanked all the volunteer members of the committees for their work

### **Treasurer's Report**

Michele Hutton, Town Treasurer presented the Treasurer's report for September 2022

Mrs. Hutton reported taxes will be mailed out soon, and online payments available

Hollberg inquired about the growth of the Historic Trust Fund since beginning of the year. Mrs. Hutton responded that it had made approximately \$14,000



## Treasurer's Report

The Balances Below, Reflect Bank Statements as of Month's End.

Account Balance thru <b>9/30/2022</b>	Prior Year	Prior Month	Statement Date
	<b>9/30/21</b>	<b>8/31/22</b>	<b>9/30/22</b>
Primis Bank General Operating Bank Account	543,394.28	658,223.65	637,772.34
Renter Water Deposits	14,326.66	16,551.66	16,551.66
Net Operating General Bank Account	540,032.04	645,877.97	635,222.66
TRUIST Historic Trust	21,795.91	27,003.65	28,314.72
TRUIST Pool Replacement Account	36,761.87	94,765.68	94,764.46
Primis Bank Water Fund Reserve	113,814.93	114,189.82	114,243.79
Primis Bank General Fund Reserve	94,648.26	94,855.79	94,884.25
Primis Bank Cares Local Recovery	237,611.82	475,324.26	475,343.79
Primis Bank DMV	n/a	5,817.83	7,628.20
Taber Trust – Account Value	1,488,465.53	1,300,340.91	1,205,718.35
	<b>9/30/21</b>	<b>8/31/22</b>	<b>9/30/22</b>
Meals Tax collected in September	15,450.08	14,992.16	13,319.79
Lodging Tax collected in September	2,123.60	3,213.42	7,522.80
Cigarette Tax collected in September	n/a	670.32	1,310.85

### SEPTEMBER EXPENDITURES:

- \$15,000 Fire Grant to Middlesex FF

### REVENUE as of 9/30/2022

Processed Oyster Fest Business Licenses \$16,150.00

Notes: none

## Lodging Tax

Page No: 1

Range of Accounts: 100-12100-0001	to 100-12100-0001	Start Month: July	Start Year: 2022
Type: Revenue Activity	Includes Accounts with Zero Activity: N	Year To Date As Of: 10/07/22	
Subtotal CAFR: No			

[illegible]

## Meals Tax

Page No: 1

Range of Accounts: 100-12110-0001	to 100-12110-0001	Start Month: July	Start Year: 2022
Type: Revenue Activity	Includes Accounts with Zero Activity: N	Year To Date As Of: 10/07/22	
Subtotal CAFR: No			

[illegible]

## Water Sales

October 7, 2022  
10:57 AM

Town of Urbanna  
2023 Revenue Summary by Month

Page No: 1

Range of Accounts: 500-17010-0001	to 500-17010-0001	Start Month: July	Start Year: 2022
Type: Revenue Activity	Includes Accounts with Zero Activity: N	Year To Date As Of: 10/07/22	
Subtotal CAFR: No			

[illegible]

### **Finance Committee & Pool Committee**

Councilmember Goldsmith told Council the reports for the Finance and Pool Committees would be covered in their presentations later in the meeting

### **Planning Commission**

Roy Kime reported the next meeting of the Planning Commission was scheduled for November 2<sup>nd</sup>

### **Water Committee**

Councilmember Smith reported

- Well project at bidding stage and will go out to bid after the holidays per Kimley-Horn's recommendation
- VDH application submitted and will be reviewed May 2023
- Cartegraph renewal contract has been signed

### **PUBLIC COMMENT & PUBLIC COMMENT RESPONSE**

There was no public comment

### **OLD BUSINESS**

#### **Pool Committee financing proposal**

Marnie Harte made a presentation to Council regarding funding options and the committee's recommendations for the construction of the new pool.

- Option 1-Use/borrow Taber Park Fund
- Option 2-Borrowing more funds from a commercial organization
- Option 3-Apply a special assessment to town residents

The Pool Committee recommends option 1

Ms. Harte requested action be taken during the meeting to determine funding option as time is of the essence

Ms. Harte gave an overview of the timeline and background of the Taber Fund, to include:

- Income vs interest definitions as stated in the Virginia Code provided in Articles 4 (§64.2-1048 et seq.), 5 (§ 64.2-1051 et seq.), and 6 (§ 64.2-1055 et seq.)
- Court approval not required to withdraw funds
- No proof of Town going to court and being denied use of funds in past
- Town funded original pool with monies from the general fund, then withdrew \$36,391.81 in 1971 from Taber Fund, which was transferred to the General Fund to refund pool construction costs
  - It is unknown if the monies withdrawn were accumulated interest or from the principal
- Power of fiduciaries to adjust the designations as assets between income and principal cited in Virginia Code Section 64.2-1038
- General powers of the trustee as cited in Virginia Code Section 64.2-777 and 64.2-778
- Councilmember Hollberg asked if trust language limits what mayor can do without consent of council
  - The response was the Finance Committee would report to Council, then Council would vote to authorize the mayor to take action
  - Mayor cannot take action without approval of Council

Councilmember Chowning requested staff to invite a Davenport representative to address Council and answer questions

### **CONTRACTS**

Ms. Harte gave an overview of contracts necessary to begin construction. Specifics of contracts will be discussed in closed meeting:

- Bay Design previously awarded site contract for \$47,000
- Architecture contract awarded to Irby Architects, PC for approximately \$27,000 to design the facilities
- Paddock Pools selected to build pool at an estimated cost of \$430,000
  - As of the meeting, the contract had not yet been signed
- General construction contract needed to build bathhouse, walkways, fencing etc., approximately \$600,000
  - Cannot get the contract until architectural renderings are complete

Based on Virginia Code, the Committee is comfortable recommending right to use funds and move forward with or without court approval

Next steps

- Council point of view on funding option
- Finalize contracts
- Begin fundraising

Discussion took place regarding language of will and the definition of “income”

Councilmember Chowning asked about grants

- Ms. Harte responded that grants are still being explored
- Councilmember Goldberg added grants would be used to pay back Taber fund first

Councilmember Chowning spoke about the Harris Fund, a \$38 million fund which provides grants to Middlesex County.

**Councilmember Chowning made a motion to direct staff to look into the possibility, immediately of how to explore the use to obtain Harris Fund monies and explore how we can get it.**

**Councilmember Hollberg seconded**

Additional discussion took place

**Austin, Chowning, Goldsmith, Hollberg, Smith, and Hartley voted yes**

**Motion passed 6-0**

Councilmember Hollberg asked to the status of the Circuit Court filing regarding withdrawing monies from the Taber Fund.

Ms. Erard responded it has not been assigned to a judge yet, would probably be Judge Shaw. Finalizing notice to the fiduciary.

### **Sale of old Town Hall**

Garth Wheeler addressed the sale of the old Town Hall

- There is an agreement with John Mullins that he will purchase the property \$150,000 if another offer is not received
- The property has been appraised at \$367,000
- The Finance Committee recommends Town sell the building
- Send correspondence to the 3 firms to get listing a listing proposal
- All bids and offers must be voted on after holding a public hearing before a sale can take place

Discussion took place between Council and staff

**Councilmember Austin made a motion to authorize the Town staff to begin the process of selling the Town property at 45 Cross Street**

**Councilmember Smith seconded**

**Austin, Chowning, Goldsmith, Hollberg, Smith, and Hartley voted yes**

**Motion passed 6-0**

## **NEW BUSINESS**

### **Urbanna Creek Committee-recommendation to Council**

Sarah Jane Wyatt of the Urbanna Creek Committee reported on the background of the committee and their “wish list” of items they recommend to be adopted by council, noting that some had already been accomplished:

- Repair and extend existing boat ramp. (completed)
- Mitigate erosion under the main pier at the Marina and the beach areas (voted on at last meeting)
- Create a kayak access launch point at the north end of the Marina by relocating the fence and clearing the area to create a beach access point. Move the kayak storage area to this area and add informational signage
- Add mooring balls in the eastern section of Urbanna Harbor to encourage large sailboat traffic.
- Build a dinghy dock at Virginia Street to complement the added mooring balls and to provide additional dinghy access to town.
- Improve the safety and accessibility of the north end of the town marina dock by removing current finger piers and adding floating pers. This will also help mitigate the erosion currently being experienced. Continue with the remainder of the town marina docks until all are completed, on a yearly rotation.
- Repair or replace the town marina bridge in the next few years. Currently, the bridge can accommodate large trucks and emergency vehicles. The Middle Peninsula Planning Commission has informed the town administrator and staff in a meeting they are willing to assist in the repair or replacement of this bridge. Those discussions should continue and solutions for a replacement explored.
- The Waterfront Committee recommends they continue to meet and work with Council to ensure the above items are completed and to assess additional needs.

Mike Jolly of the Urbanna Creek Committee also addressed Council:

- The committee would like to continue to work and work on funding options, to include available grants
- He used an aerial photo of the marina to illustrate the locations and scope of proposed improvements
- Additional discussion took place to include:
- Suggesting the proposed Blue Water Trail beginning point for kayaks to launch would be the beach area to the north end of the marina
- At the Town owned Virginia Street property, 15'x20' fixed dock centered on the property, with a 6'x30' dinghy dock, with landscaping on the property
- Approved projects would be done in phases

Possible funding options discussed, including ADA grants

Council agreed to table any action until the next meeting

### **Pool cont'd**

Council went into recess at 8:50pm in order for staff to verify a motion made at a previous meeting regarding the pool. Mayor Hartley called the meeting back to order at 8:52

Andrea Erard, Town Attorney informed Town Council she and Martha Rodenburg, Town Clerk, had reviewed the tape from a previous meeting and confirmed on October 13, 2022 Council had approved a motion to authorize the Town staff to enter into an agreement for the construction of a new pool up to a maximum of \$1.1 million, subject to review and approval by the Town Attorney prior to execution

This would encompass any contracts and would prohibit need to go into closed session.

## **ADJOURN**

**Councilmember Austin made a motion to adjourn**

**Councilmember Smith seconded**

**Austin, Chowning, Goldsmith, Hanson, Hollberg, Smith, and Hartley voted yes**

**Motion passed 7-0**



Meeting adjourned at 8:53pm

Submitted by:

---

Martha J. Rodenburg

Town Clerk

Approved by Town Council xx/xx/xxxx

DRAFT MINUTES

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**Agenda Item Summary  
December 15, 2022**

**Agenda Item: 7-Reports**

**Fiscal Impact: NA**

**Staff Recommendation: NA**

**Council Action Requested: No**

**The following reports are scheduled**

Town Administrator-Garth Wheeler

Treasurer's Report-Michele Hutton

Finance Committee-Bill Goldsmith

Pool Committee-Bill Goldsmith

Planning Commission-Merri Hanson

Water Committee-Bill Smith

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## Treasurer's Report

The Balances Below, Reflect Bank Statements as of Month's End.

Account Balance thru <b>11/30/2022</b>	Prior Year <b>11/30/21</b>	Prior Month <b>10/31/22</b>	Statement Date <b>11/30/22</b>
Primis Bank General Operating Bank Account	649,418.40	653,145.29	750,713.55
Renter Water Deposits	14,401.66	16,551.66	16,551.66
Net Operating General Bank Account	620,983.88	648,832.80	733,717.58
TRUIST Historic Trust	21,796.28	29,160.31	30,646.43
TRUIST Pool Replacement Account	36,762.48	94,767.26	94,768.04
Primis Bank Water Fund Reserve	113,881.51	114,321.41	114,396.58
Primis Bank General Fund Reserve	94,687.81	94,924.54	94,963.55
Primis Bank Cares Local Recovery	237,631.68	475,363.98	475,383.52
Primis Bank DMV	n/a	1,505.56	3,046.04
Primis Bank USDA Well Replacement-new 10/14/22	n/a	2,500.37	2,500.99
Taber Trust – Account Value	1,443,527.19	1,205,718.35	
	<b>11/30/21</b>	<b>10/31/22</b>	<b>11/30/22</b>
Meals Tax collected in November	10,078.17	10,045.11	9,883.46
Lodging Tax collected in November	00.00	1,946.30	3,711.39
Cigarette Tax collected in November	n/a	845.35	1,485.88

### NOVEMBER EXPENDITURES:

- Business as usual

### REVENUE as of 11/30/2022

Notes: I will give a verbal update to RE, PPT & OF Meals taxes received as of meeting date.

## Lodging Tax

December 8, 2022  
03:18 PM

Town of Urbanna  
2023 Revenue Summary by Month

Page No: 1

Range of Accounts: 100-12100-0001 to 100-12100-0001 Start Month: July Start Year: 2022  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 12/08/22  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total													
100-12100-0001	Lodging Tax												
19816.10		3422.19	3213.42	7522.80	1946.30	3711.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund Total													
19816.10		3422.19	3213.42	7522.80	1946.30	3711.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	Count: 1												
19816.10		3422.19	3213.42	7522.80	1946.30	3711.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Meals Tax

December 8, 2022  
03:19 PM

Town of Urbanna  
2023 Revenue Summary by Month

Page No: 1

Range of Accounts: 100-12110-0001 to 100-12110-0001 Start Month: July Start Year: 2022  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 12/08/22  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total													
100-12110-0001	Meals Tax - Local												
67862.88		14635.00	14992.16	13319.79	10045.11	9883.46	4987.36	0.00	0.00	0.00	0.00	0.00	0.00
Fund Total													
67862.88		14635.00	14992.16	13319.79	10045.11	9883.46	4987.36	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	Count: 1												
67862.88		14635.00	14992.16	13319.79	10045.11	9883.46	4987.36	0.00	0.00	0.00	0.00	0.00	0.00

## Water Sales

December 8, 2022  
03:14 PM

Town of Urbanna  
2023 Revenue Summary by Month

Page No: 1

Range of Accounts: 500-17010-0001 to 500-17010-0001 Start Month: July Start Year: 2022  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 12/08/22  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total													
500-17010-0001	Water Sales Charges												
140079.89		2878.78	65830.56	17448.96	37734.22	16187.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund Total													
140079.89		2878.78	65830.56	17448.96	37734.22	16187.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	Count: 1												
140079.89		2878.78	65830.56	17448.96	37734.22	16187.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Collected RE Tax

Range of Accounts: 100-11010-0001 to 100-11010-0002 Start Month: July  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec
Total							
100-11010-0001	Current Real Estate Taxes						
236726.12		0.00	275.08	661.19	439.20	116660.76	118689.89
100-11010-0002	Real Estate Tax - Delinquent						
3079.98		1029.48	1327.45	9.39	0.00	574.51	139.15
Fund Total							
239806.10		1029.48	1602.53	670.58	439.20	117235.27	118829.04
Grand Total	Count: 2						
239806.10		1029.48	1602.53	670.58	439.20	117235.27	118829.04



## Collected PPT

December 8, 2022  
03:23 PM

Town of Urbanna  
2023 Revenue Summary by Month

Range of Accounts: 100-11030-0001 to 100-11030-0001 Start Month: July Start Year: 2022  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of: 12/08/22  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Total									
100-11030-0001	Current Year Personal Property								
11247.85		34.32	420.93	3.64	106.48	8174.33	2508.15	0.00	0.00
<b>Fund Total</b>									
11247.85		34.32	420.93	3.64	106.48	8174.33	2508.15	0.00	0.00
<b>Grand Total</b>	Count: 1								
11247.85		34.32	420.93	3.64	106.48	8174.33	2508.15	0.00	0.00

## Oyster Fest Meal Tax

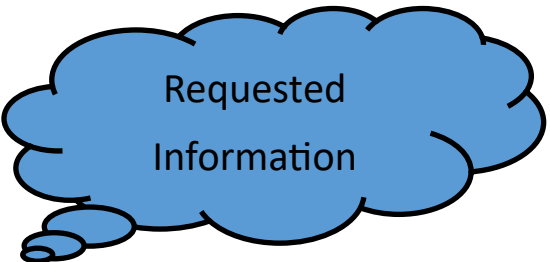
December 8, 2022  
03:25 PM

Town of Urbanna  
2023 Revenue Summary by Month

Range of Accounts: 100-12110-0003 to 100-12110-0003 Start Month: July Start Year:  
Type: Revenue Activity Includes Accounts with Zero Activity: N Year To Date As Of:  
Subtotal CAFR: No

Account No	Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Total								
100-12110-0003	Oyster Festival Meals Tax							
9602.37		1388.80	64.07	0.00	0.00	3699.45	4450.05	0.00
<b>Fund Total</b>								
9602.37		1388.80	64.07	0.00	0.00	3699.45	4450.05	0.00
<b>Grand Total</b>	Count: 1							
9602.37		1388.80	64.07	0.00	0.00	3699.45	4450.05	0.00





Requested  
Information

### Cigarette Tax

DATE	Total	2% Discount Wholesale	5% fee	Payment				
9/30/2021	\$508.00	\$10.16	\$24.89	472.95				
10/31/2021	\$1,604.00	\$32.08	\$78.60	1,493.32				
11/30/2021	\$412.00	\$8.24	\$20.19	383.57				
12/31/2021	\$528.00	\$10.56	\$25.87	491.57				
1/31/2022	\$796.00	\$15.92	\$39.00	741.08				
2/28/2022	\$504.00	\$10.08	\$24.70	469.22				
3/31/2022	\$752.00	\$15.04	\$36.85	\$700.11				
4/8/2022	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,582.49)	Transfer to Truist		
4/30/2022	\$720.00	\$14.40	\$35.28	\$670.32				
5/31/2022	\$1,168.00	\$23.36	\$57.23	\$1,087.41				
6/30/2022	\$1,236.00	\$24.72	\$60.56	\$1,150.72				
7/31/2022	\$720.00	\$14.40	\$35.28	\$670.32				
8/31/2022	\$1,408.00	\$28.16	\$68.99	\$1,310.85				
9/30/2022	\$908.00	\$18.16	\$44.49	\$845.35				
10/31/2022	\$1,596.00	\$31.92	\$78.20	\$1,485.88				
Sub total	\$12,860.00	\$257.20	\$630.13	\$11,972.67				

**Note: Effective 2/28/2022—Direct deposit to Truist**

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## **Agenda Item Summary December 15, 2022**

### **Agenda Item: 11-Floating pier purchase**

**Background:** There has been discussion regarding the need for a “floating dock” to be connected to the dinghy dock at the Town Marina. The stationary pier at the boat ramp is extremely high and difficult for boaters to use when launching and taking out their boats. The Oyster Festival Foundation has borrowed a floating dock to place it at this location during Oyster Festival for the past several years. After discussion, Joe Heyman approached Christ Church to see if they were willing to sell the dock. A purchase price has been agreed upon for \$3,000.00.

**Fiscal Impact:** \$3,000.00 plus installation. Less than \$5,000.00

**Staff Recommendation:** To purchase the floating dock.

**Council Action Requested:** Vote to approve purchase.

**Sample Motion(s):** Motion is made to approve the purchase of the floating dock from Christ Church for \$3,000.00 and have it installed.

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