

**RWSA BOARD OF DIRECTORS**  
**Minutes of Regular Meeting**  
**October 24, 2005**

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on Monday, October 24, 2005 at 2:00 p.m., in the Conference Room, Administration Building, 695 Moores Creek Lane, Charlottesville, Virginia.

**Board Members Present:** Mr. William Brent, Mr. Michael Gaffney – Presiding, Ms. Judith Mueller, and Mr. Robert Tucker.

**Board Members Absent:** Mr. Gary O’Connell.

**Authority Staff Present:** Ms. Anne Bedarf, Mr. Bruce Edmonds, Mr. Tom Frederick, Mr. Chuck Kent, Ms. Mary Knowles, Ms. Michelle Simpson, Ms. Andrea Terry, Ms. Kathy Ware, Mr. Norman Wescoat, Ms. Jennifer Whitaker, and Mr. Lonnie Wood.

**Also Present:** Mr. Ted Cole – Davenport & Company LLC, Mr. Kurt Krueger – RWSA Attorney, Mr. Christopher Kulp – Hunton & Williams, Mr. R. T. Taylor – Davenport & Company LLC, members of the public and media representatives.

**1.0 Call To Order**

The regular meeting of the RWSA Board of Directors was called to order by Mr. Michael Gaffney on Monday, October 24, 2005 at 2:00 p.m., and he noted that a quorum was present.

**2.0 Minutes Of Previous Board Meeting**

Upon a motion by Mr. Tucker, and seconded by Ms. Mueller, the Board of Directors by a 4 – 0 vote approved the minutes of the regular Board meeting held on Monday, September 26, 2005.

**3.0 Executive Director’s Report**

Mr. Frederick reported that the dominant theme for today’s meeting concerned finance, specifically funding the Capital Improvement Program (CIP) that the Board adopted several months ago. The first major item related to the State Revolving Fund loan through the Virginia Department of Environmental Quality (DEQ) to finance the front-end improvements to the Moores Creek Wastewater Treatment facility. The remainder of the CIP would be financed through a revenue bond sale that RWSA hoped would occur next month. Refunding issues from previous debt would also be presented today under Item 6b. Issues and resolutions concerning those items that required Board action today in order to move forward in November would be discussed in further detail at that point in the agenda.

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Mr. Frederick then recognized Mr. Lonnie Wood, who was in attendance, and commended him on his foresight for bringing together the information that would be considered today and also on his continual pursuit for the most economical means to finance the Authority's future needs.

Mr. Frederick also reported that RWSA's financial advisors from Davenport & Company and Hunton & Williams were present at the meeting to answer specific questions the Board might have on those financial items.

Mr. Frederick noted that under agenda Item 6b, no recommendation was being made in the Board report. Mr. Wood was requesting the Board's guidance on the following two issues: 1) whether Rivanna should purchase a surety bond to guarantee the payback of the bonds in lieu of setting aside \$5 million for the Debt Service Reserve Fund; and 2) if the surety option was selected, should the \$5 million released through the purchase of a surety bond be used to pay-down the bonds or be set aside as reserve for future capital needs.

Mr. Frederick added that RWSA's Engineering Department has begun the process of conducting the annual update to the CIP. The goal was to present the new 5-year plan to the Board in January 2006. Information would be advanced to the Sub-committee at an earlier date.

Mr. Frederick stated that included in his Board report was information concerning a special State Water Control Board (SWCB) meeting scheduled for November 21, 2005, which would be held prior to the November RWSA Board meeting. RWSA anticipated that the SWCB might consider and vote on the wasteload allocations for the James River, a subject that had been discussed at previous RWSA Board meetings. As of today, Mr. Frederick did not know what DEQ would recommend to the SWCB. As previously directed, he would continue to work with the Board Chairman as new information became available on this issue.

Mr. Frederick commented for the benefit of the public and everyone in attendance today that a Public Outreach Meeting had been scheduled for Thursday, October 27, 2005 at 6:30 p.m. in the Monticello High School Forum. RWSA staff would be available at 5:30 p.m. for pre-meeting information sessions. The new Ragged Mountain alternative for the Water Supply Plan would be the topic for the meeting, which would include updated cost estimates and information on the two alternative pipeline routes between the South Fork Rivanna Reservoir (SFRR) and the Ragged Mountain Reservoir (RMR). The meeting agenda and <sup>©</sup>PowerPoint presentation had just been approved, and RWSA's webmaster was in the process of adapting the material for posting to the website by early tomorrow morning so that the public could review the information prior to the meeting.

**4.0 Items From The Public**

There were no items from the public.

**5.0 Consent Agenda**

Mr. Gaffney asked if there were any items that the Board members would like to pull for questions or further discussion from the Consent Agenda.

- 5a) Staff Report on Finance
- 5b) Staff Report on Operations
- 5c) Staff Report on On-going Projects
- 5d) Staff Report on Community Water Supply Plan

As there were no further questions or discussion, Mr. Tucker moved, which was seconded by Mrs. Mueller, that the Board of Directors vote to approve Items 5a), b), c), and d) of the Consent Agenda. The motion was approved by a 4 – 0 vote.

**6.0 Other Business**

In regards to **Item 6a), Series 2005A Bond, State Revolving Loan Fund**, Mr. Wood reported that RWSA applied for a DEQ loan from the State Revolving Loan Program about one year ago for financing related to the Moores Creek Headworks project. The loan was tentatively approved and was awaiting the completion of the procurement process, which was completed when the Board approved the construction contract at its September meeting. All the necessary approvals have been obtained from DEQ, and the loan amount was increased to fit the new project budget.

Mr. Wood further stated that the total loan amount was \$2.377 million, which covered roughly all the project and issuance costs. The loan carried a 3 percent interest rate, which was a better rate than what RWSA could obtain on its own in the market, a 20-year term, and an annual Debt Service amount of approximately \$162,000. If the contingency included in the project budget was not used, the amortization schedule would be reformulated and the actual Debt Service would be adjusted down.

Mr. Wood next reviewed the documents included in the Board packet that needed to be approved by the Board in order to close on the loan. The first document was the “Bond Resolution,” which authorized the issuance of the bond and also authorized the officers of the Authority to execute the necessary documents. The second document was the “Financing Agreement,” which included all the terms of the bond. The Virginia Resources Authority (VRA) was the Administrator of the Virginia Water Facilities Revolving Fund and the sole bondholder. The third document was the “Seventeenth Supplemental Agreement of Trust” that amended the bond indenture to bring these bonds into Rivanna’s current governing bond indenture since the bonds were issued in parity with all of the Authority’s bonds. Mr. Wood added that Mr. Christopher Kulp with Hunton & Williams was in attendance and could answer any questions concerning the legal issues associated with these documents.

Mr. Tucker asked Mr. Krueger if the Board needed to take separate action on the “Bond Resolution,” the “Financing Agreement,” and the “Seventeenth Supplemental Agreement” or could it be covered under one motion.

Mr. Krueger responded that only one motion would be needed since all of those documents were included in the pre-printed Resolution, but he advised that the motion be approved through a roll-call vote.

Mr. Gaffney asked Mr. Frederick if a decision by the SWCB in November would have any affect on what was being proposed today. Mr. Frederick replied that there would be no affect on the funding options under consideration.

Upon a motion by Mr. Tucker, and seconded by Ms. Mueller, the Board of Directors voted to adopt the following Resolutions authorizing the issuance, sale and award of a taxable Regional Water and Sewer System Revenue Bond, Series 2005A:

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF A TAXABLE REGIONAL WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2005A, OF RIVANNA WATER AND SEWER AUTHORITY IN THE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$2,377,600 AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, Rivanna Water and Sewer Authority (the “Authority”) desires to issue a Taxable Regional Water and Sewer System Revenue Bond, Series 2005A, in the maximum principal amount not to exceed \$2,377,600 (the “Series 2005A Bond”), to finance the acquisition, construction and equipping of improvements and upgrades to the Moores Creek Wastewater Treatment Plant, namely the influent headworks improvement project together with related expenses (the “Project”); and

**WHEREAS**, there have been presented to this meeting a draft of a Seventeenth Supplemental Agreement of Trust to be dated the date of the Series 2005A Bond (the “Seventeenth Supplemental Agreement”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”), providing for the issuance, security and details of the Series 2005A Bond as an Additional Bond pursuant to an Agreement of Trust between the Authority and the Trustee dated as of October 1, 1979 (the “Trust Agreement”), as heretofore amended and supplemented;

**WHEREAS**, the Authority has applied to the Virginia Resources Authority, as administrator of the Virginia Water Facilities Revolving Fund (“VRA”), for the purchase of the Series 2005A Bond, and VRA has agreed to

purchase the Series 2005A Bond pursuant to the terms of a Financing Agreement between the

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Authority and VRA (the “Financing Agreement”), the form of which has been presented to this meeting;

**BE IT RESOLVED BY RIVANNA WATER AND SEWER AUTHORITY:**

1. The Authority determines that it is in its best interest to issue the Series 2005A Bond and to use the proceeds of the Series 2005A Bond to finance the Project and to pay the costs of issuance of the Series 2005A Bond. Accordingly, the Authority authorizes the issuance and sale of the Series 2005A Bond in accordance with the terms of this resolution and the Financing Agreement and as a Additional Bond in accordance with the terms of the Trust Agreement.

2. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized to execute and deliver the Seventeenth Supplemental Agreement. The Seventeenth Supplemental Agreement shall be in substantially the form submitted to this meeting, which is approved, with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the Chairman or Vice-Chairman, whose approval shall be evidenced conclusively by the execution and delivery thereof.

3. The Chairman and the Vice-Chairman of the Authority, either of whom may act, are authorized to execute and deliver the Financing Agreement. The Financing Agreement shall be in substantially the form submitted to this meeting, which is approved, with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the Chairman or Vice-Chairman, whose approval shall be evidenced conclusively by the execution and delivery thereof. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Financing Agreement.

4. The Series 2005A Bond shall be payable solely from Revenues, certain reserves or proceeds of insurance and secured on a parity as to such pledge with the Authority’s outstanding bonds and any Additional Bonds issued pursuant to the Trust Agreement. The Series 2005A Bond shall be a limited obligation of the Authority, and nothing in the Series 2005A Bond, the Trust Agreement or the Financing Agreement shall be deemed to create or constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority.

5. The Series 2005A Bond shall be issued as a single, registered bond, designated “Regional Water and Sewer System Revenue Bond, Series 2005A,” shall be dated the date of its delivery to VRA, shall be numbered R-1, shall mature

no later than December 31, 2026, and shall provide for VRA to make principal advances from time to time in an aggregate amount not to exceed \$2,377,600 and to note such advances on the Series 2005A Bond as moneys are advanced by VRA

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thereunder. The Cost of Funds of the Series 2005A Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at a rate not to exceed 3.00% per year (including the part thereof allocable to the administrative fee), calculated on the basis of a 360-day year of twelve 30-day months. An authorized representative of VRA shall enter the amount and the date of each such principal advance on the Certificate of Principal Advances on the Series 2005A Bond when the proceeds of each such advance are delivered to the Authority. The Series 2005A Bond shall be payable in installments in such amounts and on such dates as shall be determined by the Executive Director of the Authority. If principal disbursements up to the maximum authorized amount of the Series 2005A Bond are not made, the principal amount due on the Series 2005A Bond shall not include such undisbursed amount. However, unless the Authority and VRA agree otherwise in writing, until all amounts due under the Series 2005A Bond and the Financing Agreement shall have been paid in full, less than full disbursement of the maximum authorized amount of the Series 2005A Bond shall not postpone the due date of any installment due on the Series 2005A Bond, or change the amount of such installment. In addition, the Authority shall pay (but only from its legally available funds) a late payment charge as provided in the Financing Agreement if any payment is not received within 10 days of its due date. All payments due on the Series 2005A Bond 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 such appears on the registration books kept for that purpose by the Trustee. Notwithstanding any provision of this resolution to the contrary, the final payment shall be payable upon presentation and surrender of the Series 2005A Bond at the office of the Trustee.

The form of the Series 2005A Bond shall be as set forth in the Seventeenth Supplemental Agreement.

6. The Chairman, the Vice-Chairman and the Secretary-Treasurer of the Authority are hereby authorized and directed to have the Series 2005A Bond prepared and executed pursuant to the Trust Agreement, to deliver it to the Trustee for authentication, and to cause the Series 2005A Bond so executed and authenticated to be delivered to VRA upon payment of the first advance thereunder.

7. In accordance with Section 503(b) of the Trust Agreement, the following matters are stated:

(a) The Series 2005A Bond shall be subject to prepayment as set forth in Section 7.1 of the Financing Agreement.

(b) The amounts required to be on deposit at all times in the Bond Fund are

as determined pursuant to Section 707 of the Trust Agreement.

(c) The costs of each purpose for which the Series 2005A Bond is issued are estimated as follows:

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(1)	Construction	\$2,080,000
(2)	Engineering/Inspection	172,100
(3)	Contingency and cost of issuance	<u>125,500</u>
		\$2,377,600

(d) A deposit to the Debt Service Reserve Fund will be made from legally available funds of the Authority in such amount necessary (currently estimated to be \$161,936.58) to make the amount on deposit in such Fund equal to the Required Reserve upon the issuance of the Series 2005A Bond.

(e) No capitalized interest is to be financed by the Series 2005A Bond.

8. The officers of the Authority are authorized and directed to execute and deliver all certificates, instruments and documents and to take such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2005A Bond pursuant to this resolution, the Financing Agreement, the Trust Agreement and the Seventeenth Supplemental Agreement.

9. All other actions of the officers of the Authority in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2005A Bond are ratified and approved.

10. The Secretary-Treasurer of the Authority is authorized and directed to see to the immediate filing of a certified copy of this resolution in the office of the Clerk of the Circuit Court of Albemarle County, Virginia.

11. This resolution shall take effect immediately.

**VOTE:**

**AYES:** Mr. Brent, Mr. Gaffney, Ms. Mueller, Mr. Tucker

**NAYS:** 0

**ABSENT DURING VOTE:** Mr. O'Connell

**ABSENT DURING MEETING:** Mr. O'Connell

After the vote, Mr. Brent asked Mr. Wood if he knew at what level Congress funded the State Revolving Loan Program after this fiscal year. Mr. Wood responded that he had not yet seen those figures.

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In regards to **Item 6b, Series 2005B Bond Issue**, Mr. Wood stated that in his Memorandum to the Board, he attempted to break out the bond issues in three main components, which he summarized as follows:

The first component related to the need at this point in the execution of the CIP to permanently finance project costs. On page 2 of his Memorandum, Mr. Wood briefly outlined how RWSA planned to finance the CIP. Total funding needs were estimated to be about \$15.6 million, which included estimated capital project costs of about \$14.7 million through 2006 and issuance costs amounting to about \$860,000. In the CIP and at subsequent Board meetings, there were discussions concerning using cash reserves to fund a large portion of this year's CIP. The portion of the CIP to be funded through cash reserves was estimated to be about \$4.65 million, which was roughly 30 percent of the total CIP. In the interviews with the bond rating agencies, this use of cash reserves was viewed very favorably. The remainder of the CIP costs in the amount of \$10.9 million would need to be funded through debt. Of that amount, \$2.36 million would be financed through the first 2005A Bond issue, which left a net funding need with the 2005B Bond issue of \$8.576 million. The projected additional annual Debt Service would be approximately \$525,000 over a 30-year period, which was subject to change due to fluctuations in market over the next two weeks. Actual competitive bids on these bonds will occur on or about November 14.

The second component involved a review of RWSA's existing debt for refinancing opportunities. Series 1999 and 2000 Bond issues do provide an opportunity to refinance. Although not all of those bonds were eligible for refunding at this time, \$16.7 million cumulative of both series offered savings opportunities. If the \$16.7 million was added to the bond issue, in addition to the \$8.576 million of new money needed for capital projects, the total 2005B Bond proceeds would increase to about \$27 million.

The third component concerned the surety issue. Mr. Wood reported that the Davenport & Company Memorandum delivered with the Board packet had been updated, and he distributed the updated copies to the Board members. He then asked Mr. Ted Cole from Davenport & Company to briefly summarize the refinancing issues and then discuss the surety option.

Mr. Ted Cole referred to the updated Memorandum and stated that his focus would be on the Series 2005B Bond issue. The Board would also be requested to consider adopting the Resolution related to the Series 2005B that would allow the Authority to move forward with the proposed financing schedule. By adopting the Resolution, all the documents related to the transaction, as they were in "near-final" form, would be approved and would allow Mr. Frederick and Mr. Wood to

approve subsequent, non-major changes to those documents closer to the sale date. Certain parameters were established and were included in the Resolution within which the bond issue must sell, such as “not to exceed par amount,” “not to exceed true interest costs,” and “not to exceed final maturity.”

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Mr. Cole reiterated Mr. Wood’s earlier comments concerning the new money component to the financing need in the amount of roughly \$8 million. Authority staff and the financial advisors were recommending a 30-year term on a level-debt service structure, which meant the combined principal and interest every year would be the same. The 1999 and 2000 Bond series had also been identified as candidates for refunding for Debt Service savings. Not all the bonds in those series were eligible for refinancing opportunities. About \$11 million of the 1999 Bond series and roughly \$6 million of the 2000 Bond series were eligible for refunding. Savings were being generated today on both of those issues that were in excess of 3.2 percent on a present-value basis. A 3 percent present-value basis had historically been the benchmark beyond which refunding options had been pursued. In today’s market, both of those refundings on their own would achieve greater than a 3 percent savings. On a combined basis, the savings was upwards of 4.5 percent for a total savings of about \$55,000 per year for the remaining life of the debt. The refunding structures had not extended the final maturity of the debt, which was 25 years

Mr. Cole next commented that his company and Authority staff held discussions concerning setting a minimal savings target as the process moved forward, ensuring a 3 percent present-value savings or better on a combined basis, and setting the same target individually for the 1999 and 2000 Bond series to maintain the most flexibility in the market.

Mr. Cole added that if the appropriate actions were taken today, the Financing Schedule listed on page 2 of the Memorandum would be followed. The discussions with the rating agencies were in the process of being finalized. Once the credit ratings were obtained, the Authority would be in the position of putting the bonds out for bid possibly by early to mid November. The closing would occur approximately 30 days from the sale date. Rivanna would have the \$8 million to begin financing the new capital projects, and the refunding of the 1999 and 2000 Bond series would have been accomplished as well.

Mr. Cole noted that on page 3 of the Memorandum under “Bond Issuance Details,” it was anticipated that a competitive sale of publicly offered bonds would move forward. On a day and time specific, via an electronic bidding platform, all potential underwriters would have the opportunity to bid on the Authority’s bonds. The bids would be tracked electronically, verified, and the bonds awarded to the lowest bid.

Mr. Cole commented further on the parameters that were included in the Bond Resolution today, which would guide the process as it moved forward. The debt would need to be issued within those guidelines, and Board approval would be

needed to move outside of those parameters. A drastic turn in the market causing the cost or the size of the borrowing to increase above the targeted level would be an example for the need to suspend the process and seek Board approval before proceeding further.

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Mr. Cole next discussed the following “Open Items” listed on page 3 of the Memorandum:

After the last bond rating agency meeting had been held, the Authority should receive the ratings within 7-10 days. This process must be completed before the bonds could be issued.

Bond insurance was a means for the Authority to reduce its overall cost of borrowing. In practice, a premium was paid upfront, and in return, a AAA rating was received. Historically, some of Rivanna’s bonds had been insured and some had not. Davenport had requested and received bids on insurance, and they were in the process of assessing the bids. An economic calculation would be run to determine if the fee being paid for that insurance was offset by the Debt Service savings by virtue of obtaining the AAA rating. The Authority on its own had a AA3 from Moody’s and an A+ rating from Standard & Poor (S&P). If the Authority moved forward with bond insurance, it would have the benefit of a AAA borrowing rate. Davenport would ensure that purchasing insurance made economic sense before committing to the insurance bids.

As previously discussed by Mr. Wood, the bond documents were such that it would be necessary to set aside a Debt Service Reserve Fund. The fund was set up today in such a way that one-year’s worth of Debt Service on all of the Authority’s combined debt could be paid from those reserves. Rivanna had always chosen to fund that Reserve with cash, and cash had typically been part of the bond issue so it was part of the borrowing. At the request of Rivanna staff, Davenport was exploring the option of replacing that cash-funded Reserve with another form of insurance called a surety bond. As part of the bond bids, Davenport had received bids on a surety bond as well. The surety bond bids were being assessed and ongoing discussions were also occurring with the Bank of New York, which was the Authority’s Trustee, concerning the impacts of purchasing a surety bond as the process moved forward.

Mr. Cole added that even if the Trustee’s evaluation of the surety bond option was favorable and it was felt that there would be enough flexibility moving forward, there are still the questions of whether this is the best way to fund the Reserve. If the Reserve requirement was funded with a surety bond, roughly \$5 million would be freed up. About \$1.8 million of that \$5 million would need to go into the bond transaction because those funds were tied into the 1999 and 2000 Bond series that were being refunded. A decision would then be needed on how to use the remaining \$3.25 million. Some options included buying-down the refunding portion, paying-off or buying-down the new money portion, or setting aside the Reserve in a controlled account held by the Trustee for use on future capital

projects.

Mr. Cole commented that it was difficult to assess those options from an economic standpoint since Rivanna's cash-funded Reserve was invested and earned interest.

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The amount of interest earned was controlled by the bond documents and arbitrage rates. When the money was cashed-in and the Reserve replaced with a surety bond, the ability to earn interest was lost. Making a prediction on how the money would earn interest going forward had a direct affect on the projected economic value of the surety bond. Mr. Cole added that in a broad perspective, there were no real bad choices. The Authority could continue having a fully funded Reserve and probably would have the option of replacing it with a surety bond at a later date.

Mr. Cole pointed out that on page 5 of the Memorandum, an attempt had been made to quantify the economics of the surety bond. Whether the \$3.2 million was rolled into the refundings or used to buy-down the new money borrowing, the Authority would experience true reduced Debt Service every year somewhere in the range of \$120,000 to \$150,000 starting when the transactions were closed. The earnings that would have been made on the \$5 million would have a direct affect on the comparison of options. The assumption was made that the Authority would continue to earn interest at its current rate when the different scenarios were calculated. If better returns were realized on the cash-funded Debt Service Reserve Fund, the cash flow savings would not be as great because there would be more funds under the Reserve scenario that were flowing back to Rivanna.

Mr. Wood commented that he had some issues with putting cash into a Reserve Fund that would not be of current benefit to Rivanna. He felt that sometimes with the interest earned the Reserve Fund is a worthwhile investment. However, two years ago Rivanna's account earned less than a percent, but the Authority had no control over the Reserve Fund because it was required in the bond documents. At that time, he began to look at ways to better utilize the money. One of the options was to buy-down the Authority's debt or buy-down the next bond issue. Mr. Wood did not have a recommendation but was requesting the Board's guidance on whether to reduce the Debt Service by using the surety bond option now, or keep the money in the Reserve Fund and exercise the surety bond option in two to three years with another bond issuance. The last option would maintain the current Reserve structure and not consider the surety bond option. Mr. Wood then asked Mr. Cole to provide information concerning surety bond cost.

Mr. Cole stated that the surety bond cost was under 2 percent of the Reserve requirement. If Rivanna had a Reserve requirement of \$5 million, there would be a one-time, upfront cost of roughly \$100,000 to purchase the surety bond. Rating agencies and investors did not view a surety bond any differently than cash in a Reserve Fund. The surety market was growing and becoming more affordable. He felt the surety bond provided some ease in day-to-day, year-to-year operations, as an outside consultant would track investment earnings on the Reserve Fund. Consideration would need to be given that once a surety bond was purchased, in

order to refund the debt sometime in the future, the surety bond would need to be purchased again as it did not move forward with the bonds.

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Mr. Gaffney asked if he understood correctly that if the Authority purchased a \$5 million surety bond on a 30-year bond, it would still be in force for the 30 years unless Rivanna refinanced the bond and that the surety bond cost would be less than 2 percent or about a \$100,000 one-time cost.

Mr. Cole replied that Mr. Gaffney's statements were correct.

Mr. Wood added that the advantage of the surety bond should also consider the implications of future bond issues. For example, issuing \$40-50 million in debt to finance the future CIP would reduce those bond proceeds that Rivanna would have to issue to fund the Reserve.

Mr. Gaffney asked for clarification purposes if Rivanna's Reserve Fund were earning less than 1 percent and the account needed to be handled by the Bank of New York. Mr. Wood replied that the fund was yielding less than 1 percent until this year. The indenture was structured so that investments were in Treasury bonds and not corporate bonds and stocks. Mr. Cole added that the fund was now earning about 3.7 percent on the \$5 million. He further stated that generally investments could be made in longer term Treasury bonds in order to receive a greater yield. The market value of a longer term investment fluctuates much greater with interest rate movements. The Bank of New York, as Trustee, was charged with tracking the market value, and if it ever fell below the Reserve requirement, Rivanna would need to make up the difference.

Mr. Wood added that during 1999-2000, the market value on Rivanna's 20-year bond investments decreased to such an extent that operating cash needed to be transferred to the Reserve Fund in order to satisfy bond requirements during an audit.

Mr. Gaffney inquired as to what intervals the 3.7 percent was being earned on the Treasury bonds. Mr. Cole responded that there was a blend of three different bonds, each with a different maturity date from 2006 through 2009, as well as some small investments in the money markets. Mr. Gaffney next questioned what the interest rate would be on the refunded bonds. Mr. Cole replied that based on a measurement of a "true interest cost," he felt the rate would be about 4.5 percent. Mr. Wood added that when the bonds were issued, they were locked in and could not earn more than that rate. Per IRS arbitrage regulations, there was a ceiling as to how much the Reserve account could earn based on what the bonds were paying. Rivanna could invest the money into high-yield instruments but would have to then refund the earnings back to the IRS.

Mr. Brent asked if Rivanna knew what the annual cost of arbitrage calculation

would be for these funding options. Mr. Wood stated that because it was done every five years, the calculation was different each time. He did some calculations each year to determine whether the bonds were earning more than what was

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permissible. It could be as much as \$12,000 or as little as \$6,000 in off years. The cost would increase as more bonds were issued.

Mr. Brent further inquired if any earnings on the Reserve account were reduced by the arbitrage calculations costs. Mr. Cole referenced back to the two schedules on page 5 of the Memorandum and stated that it was absolutely known that Rivanna's annual Debt Service would be reduced by cashing in the Reserve for a surety bond. The extent was not known because the variable was the Authority's lost investment earnings. If it were assumed that Rivanna would continue to earn that 3.72 percent through the end of the bonds, the Authority would end up with a Debt Service savings over the next 30 plus years of about \$3.9 million. Alternatively, Scenario C illustrated removing the money from the Reserve and buying-down future debt. The Debt Service savings would vary from \$155,000 down to as low as \$33,000 per year based on \$3.9 million.

Mr. Brent next asked when they expected to receive a decision from the Trustee. Mr. Christopher Kulp from Hunton & Williams responded that the Trustee's answer would probably be received sometime this week. To ensure that the surety funds were used in a way that would allow the most flexibility for the Authority, it would make financial sense to go from a single parity Reserve to series-by-series Reserve accounts. In order to make that change, the Trustee under the existing terms had to be able to conclude that the proposed amendments would not adversely affect the existing bondholders.

Mr. Wood added that he did not feel that the surety bond would be an option if clear approval could not be obtained from the Trustee. He did not want the Authority to be tied to one specific surety bond going into the future if the Reserve requirement could not be broken up into individual bond issues.

Mr. Kulp further stated that if the surety bond option were pursued, it would be absolutely necessary to have competitive, fully participated bidding parameters for each subsequent bond issue. The decision by the Trustee would determine whether Rivanna would have the needed flexibility to pursue the surety bond option.

Mr. Tucker inquired if any action taken by the Board would need to provide for flexibility in future transactions. Mr. Kulp replied in the affirmative. Mr. Wood added that assuming that the Trustee responds in a favorable manner, the Board could still indicate its preference on whether or not to pursue the surety bond option. If the Board agreed to pursue the surety bond route, he felt the option having the biggest benefit would be to buy-down the new money. The third option was to leave the money in the Reserve account and use the surety bond option on the next bond issue.

Ms. Mueller asked when Rivanna anticipated the next bond issuance would occur. Mr. Wood stated that it would depend upon the updated CIP and reformulating the

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budget surpluses based on the refinancing savings. He would estimate in at least three years.

Mr. Brent commented that he felt the latter option made the most sense, unless the financial consultants could tell him that the interest rates in the next five years would be cheaper than they were today. Mr. Cole asked Mr. Brent if his reference to the “latter” option related to setting the money aside and using it to buy-down future debt. Mr. Brent replied that he felt it would be of greater benefit to use the Reserve Fund for future issuances when costs would be higher than they were for this transaction. To further clarify Mr. Brent’s statements, Mr. Cole stated that if the surety bond was pursued and the Authority put the required \$1.8 million into the transaction, the recommendation was that the remaining \$3.2 million in the Reserve would be held in a Trustee-controlled account.

Mr. Wood commented that he was concerned with the spend-down requirements associated with that option. Mr. Kulp stated that since the monies sitting in the Reserve Fund were funded originally from a different series of bonds, they were still bond proceeds and would have to be spent for tax purposes in some manner. If the surety bond option was selected and the money in the Reserve Fund set aside for future capital improvements, for tax purposes you would need to spend that money within two to three years and provide some evidence and certifications at closing that the Authority had \$3.2 million worth of addition projects over and above the \$8 million that was being issued.

Mr. Gaffney stated that based on Mr. Kulp’s comments, he would recommend either purchasing the surety bond and buy-down the new money or leave the \$5 million in the Reserve Fund and reconsider the purchase of the surety bond at the time of the next bond issue.

Mr. Cole added that if Rivanna had a “pay-as-you-go” element to its capital projects, there would be a way to use the freed-up funds first and hold operating surplus monies aside in a less rigid account. Mr. Gaffney expressed concerns with spending the Reserves at this time and not having them available for future capital needs. Mr. Wood added that if the intent was to not use the Reserves in the bond deal to reduce the debt, he would prefer to leave the \$5 million in the Reserve Fund at this time. Mr. Brent commented that he was also leaning in that direction, although it was a gamble that interest rates would be higher three years from now.

Mr. Gaffney inquired if the Board wanted to allow the Authority some discretion in the surety bond option or recommend that the \$5 million be kept in the Reserve Fund at this time. Mr. Wood added that he needed the Board’s guidance as to whether they would prefer that Rivanna issue the debt now and leave the \$5 million

in the Reserve Fund or use the Reserve Fund to reduce the debt as much as possible.

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Mr. Kulp also commented that it would depend upon the Trustee's decision and whether it provided the flexibility needed to consider the purchase of the surety bond as a viable option.

While the Board was considering those issues, Mr. Wood discussed the three documents included in the Board packet that needed Board approval in order to go forward with the bond issue in general whether or not a decision was made to purchase the surety bond.

The first document was a "Bond Resolution" that covered the other two documents and authorized the issuance of the Series 2005 Bonds and also authorized the officers of the Authority to execute the documents as needed.

The second document entitled "Preliminary Official Statement," was a marketing package that would be distributed to interested bidders. Once the bond was issued, the document became the official statement and included all the particulars and Debt Service schedules.

The third document was the "Eighteenth Supplemental Agreement of Trust," which revised or amended the current trust agreement to identify and provide for the parity status of the new bonds in accordance with the trust indenture. The document also included all the information concerning the surety bond option that could be deleted to accommodate the Board's decision on that issue. He then asked Mr. Krueger if two separate Board actions would be needed for the bond issuance and the purchase of the surety bond or if one motion would be sufficient with guidance from the Board on the surety bond issue.

Mr. Krueger advised that the documents ultimately needed to be recorded in the Clerk's office for the Circuit Court. Since Mr. Kulp was not in attendance at this time to answer that question, Mr. Krueger did not want to lock him into separate motions when one motion for the two matters would be needed.

Based on the previous discussions, Mr. Tucker inquired if Scenario A, which entailed refunding and financing the new money needs of \$8 million with a cash-funded Debt Service Reserve Fund, was the recommended option. Mr. Wood clarified that the scenarios illustrated the available options if the surety bond option was pursued. The decision at this time concerned whether to use the cash now to reduce the bond issue or wait two to three years for the next bond issue to pursue the surety bond.

Mr. Frederick and Mr. Kulp who were not in attendance during Mr. Wood's review of the documents included in the Board packet for Item 6b, returned to the meeting

at this time.

Mr. Frederick explained that he needed to clarify an earlier statement by Mr. Kulp that was not previously known to him concerning the Reserve monies that would be

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freed up as a result of purchasing a surety bond and the need for a specific plan on how the additional funds would be spent within the next three years. Rivanna did not have a plan at this time to spend that additional money. If the surety bond were pursued, the question of which projects to advance and if there would be staff available to undertake these endeavors in that time frame would need to be determined. For those reasons, he was not in favor of that option. Based on Mr. Coles' analysis, the only surety scenarios remaining for the Board's consideration involved issuing less bonds and new money or to keep the \$5 million in the cash-funded Reserve Fund and not purchase the surety bond.

Ms. Mueller asked if the decision by the Trustee on the current surety bond issue could be used for future bond issuances. Mr. Kulp replied that if a positive response was received from the Trustee, he would propose that an amendment be executed concerning the Trustee's decision on the surety bond issue, which would permit flexibility in future bond issuances.

Mr. Krueger asked Mr. Kulp if the Resolution in its present form provided enough flexibility based on the previous discussion to cover whichever direction the Board decided to take concerning the surety bond issue. Mr. Kulp referenced the "Bond Resolution" and read the section on page 4, paragraph 12 of that document as follows: "The Executive Director is authorized to obtain, on behalf of the Authority, (a) municipal bond insurance to guarantee the payment of principal of and interest on the Series 2005B Bonds and (b) a debt service reserve fund surety policy in lieu of all or a portion of the monies currently on deposit in the Debt Service Reserve Fund, if the Executive Director, in collaboration with the Financial Advisor, determines that obtaining municipal bond insurance or a surety policy would be in the best interest of the Authority; provided, however, that any premiums or other costs related to such insurance or surety policy shall be paid from proceeds of the Series 2005B Bonds or other legally available funds of the Authority. The Executive Director is hereby authorized to agree to such changes to the form of the Eighteenth Supplemental Agreement, the Series 2005B Bonds and the Preliminary Official Statement as the Executive Director may consider appropriate to comply with requirements of the bond insurer or surety provider."

Mr. Krueger further inquired if the only reason for deviating from the form Resolutions would be if the Board decided not to delegate the authority to pursue the surety bond. Mr. Kulp responded if that was the Board's decision, then the section could be stricken from the Resolution.

Mr. Gaffney commented that he was comfortable in granting the Executive Director and financial advisors the discretion of pursuing those options in a future

issuance knowing that there would be a direct correlation with the interest being earned on the \$5 million versus the bonds that would be issued. He added that he did not feel there would really be a net future savings by waiting three years, even if interest rates were higher.

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Upon a motion by Mr. Tucker, and seconded by Ms. Mueller, the Board of Directors voted to adopt each of the Resolutions authorizing the issuance, sale, and award of Regional Water and Sewer System Revenue and Refunding Bond Series 2005B as follows:

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2005B, OF RIVANNA WATER AND SEWER AUTHORITY IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$29,222,000 AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, Rivanna Water and Sewer Authority (the “Authority”) desires to finance the acquisition, construction, equipping and planning of improvements and extensions to its regional water and sewer system (the “Project”); and

**WHEREAS**, the Authority also desires to refund all or a portion of the outstanding principal balance of (a) its Regional Water and Sewer System Revenue Bonds, Series of 1999, maturing on October 1 in the years 2010 through 2019, 2024 and 2029 (the “Series 1999 Bonds”), and (b) its Regional Water and Sewer System Revenue Bonds, Series of 2000, maturing on October 1 in the years 2011 through 2018, 2024, 2027 and 2030 (the “Series 2000 Bonds” and, together with the Series 1999 Bonds, the “Refunded Bonds”);

**WHEREAS**, in collaboration with Davenport & Company LLC, acting as the Authority’s financial advisor (the “Financial Advisor”), the Authority has determined to issue its Regional Water and Sewer System Revenue and Refunding Bonds, Series 2005B (the “Series 2005B Bonds”), to (a) finance the Project, (b) advance refund the Refunded Bonds, (c) pay the premiums on a municipal bond insurance policy and a debt service reserve fund surety policy, if any such policies are obtained, and (d) pay the cost of issuing the Series 2005B Bonds;

**WHEREAS**, there have been presented to this meeting the following documents proposed in connection with the issuance and sale of the Series 2005B Bonds:

(a) a draft dated October 17, 2005, of an Eighteenth Supplemental Agreement of Trust to be dated the date of the Series 2005B Bonds (the “Eighteenth Supplemental Agreement”), between the Authority and The Bank of New York, as successor trustee (the “Trustee”), including the form of the Series

2005B Bonds, providing for the issuance, security and details of the Series 2005B Bonds as Additional Bonds pursuant to an Agreement of Trust between the Authority and the Trustee dated as of October 1, 1979 (the "Trust Agreement"), as heretofore amended and supplemented; and

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(b) a draft dated October 17, 2005, of a Preliminary Official Statement with respect to the public offering of the Series 2005B Bonds (the "Preliminary Official Statement"), which includes (i) as Appendix F the form of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the Authority and containing such covenants as may be necessary to assist the purchasers of the Series 2005B Bonds in complying with the provisions of the Rule (as hereinafter defined), and (ii) as Appendix I a draft of the Notice of Sale and Bid Form (the "Notice of Sale") with respect to the public offering of the Series 2005B Bonds;

**BE IT RESOLVED BY RIVANNA WATER AND SEWER AUTHORITY:**

1. The Authority determines that it is in its best interest to issue the Series 2005B Bonds and to use the proceeds of the Series 2005B Bonds to (a) finance the Project, (b) refund the Refunded Bonds, (c) pay the premiums on a municipal bond insurance policy and a debt service reserve fund surety policy, if any such policies are obtained, and (d) pay the costs of issuance of the Series 2005B Bonds. Accordingly, the Authority authorizes the issuance and sale of the Series 2005B Bonds in accordance with the terms of this resolution and as Additional Bonds in accordance with the terms of the Trust Agreement.
2. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized to execute and deliver the Eighteenth Supplemental Agreement. The Eighteenth Supplemental Agreement shall be in substantially the form submitted to this meeting, which is approved, with such completions, omissions, insertions and changes not inconsistent with this resolution as may be approved by the Chairman or Vice-Chairman, whose approval shall be evidenced conclusively by the execution and delivery thereof.
3. The Series 2005B Bonds shall be payable solely from the revenues, certain reserves or proceeds of insurance and secured on a parity as to such pledge with the Authority's outstanding bonds and any Additional Bonds issued pursuant to the Trust Agreement. The Series 2005B Bonds shall be limited obligations of the Authority, and nothing in the Series 2005B Bonds or the Trust Agreement shall be deemed to create or constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority.
4. The Series 2005B Bonds shall be designated "Regional Water and Sewer System Revenue and Refunding Bonds, Series 2005B," shall be dated such

date as may be determined by the Executive Director, shall be in registered form, in denominations of \$5,000 and multiples thereof, and shall be numbered R-1 upward. Each Series 2005B Bond shall bear interest at such rate as shall be determined at the time of sale, payable semiannually on dates determined by the Executive Director, calculated on the basis of a 360-day year of twelve 30-day months.

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Subject to Section 6, the Series 2005B Bonds shall mature, or be subject to mandatory sinking fund redemption, in installments ending no later than December 31, 2035. The Authority authorizes the issuance and sale of the Series 2005B Bonds on terms as shall be satisfactory to the Executive Director; provided, however, that the Series 2005B Bonds (a) shall be issued in an aggregate principal amount not to exceed \$29,222,000, (b) shall have a “true” or “Canadian” interest cost not to exceed 5.75% (taking into account any original issue discount or premium) and (c) shall be sold at a price not less than 100% of the principal amount thereof (without taking into account any original issue discount).

5. The Series 2005B Bonds may be subject to redemption prior to maturity at the option of the Authority on or after dates, if any, determined by the Executive Director, in whole or in part at any time, at a redemption price equal to the principal amount of the Series 2005B Bonds, together with any accrued interest to the redemption date, plus a redemption premium not to exceed 2.0% of the principal amount of the Series 2005B Bonds, such redemption premium to be determined by the Executive Director.

6. The sale of the Series 2005B Bonds is authorized upon the following terms. The Series 2005B Bonds shall be sold by competitive bid, and the Executive Director shall receive bids for the Series 2005B Bonds and award the Series 2005B Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, all subject to the limitations set forth above. The Authority further authorizes the Executive Director to (a) determine the aggregate principal amount of the Series 2005B Bonds, the maturity schedule, the dated date, maturity dates and interest payment dates for the Series 2005B Bonds, subject to the limitations set forth in Section 4, and (b) determine the redemption provisions of the Series 2005B Bonds, subject to the limitations set forth in Section 5, all as the Executive Director determines to be in the best interest of the Authority. Following the sale of the Series 2005B Bonds, the Executive Director shall file a certificate with the Secretary-Treasurer of the Authority setting forth the final terms of the Series 2005B Bonds. The actions of the Executive Director in selling the Series 2005B Bonds shall be conclusive, and no further action shall be necessary on the part of the Authority.

7. The Executive Director, in collaboration with the Financial Advisor is authorized and directed to take all proper steps to advertise the Series 2005B Bonds for sale substantially in accordance with the form of Notice of Sale, which is hereby approved, provided that the Executive Director, in collaboration with the Financial Advisor, may make such changes to the form of the Notice of Sale not

inconsistent with this resolution as he may consider to be in the best interest of the Authority.

8. After the Series 2005B Bonds are awarded, the Chairman, the Vice-Chairman and the Secretary-Treasurer of the Authority are hereby authorized and directed to have the Series 2005B Bonds prepared and executed pursuant to the

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Trust Agreement, to deliver them to the Trustee for authentication, and to cause the Series 2005B Bonds so executed and authenticated to be delivered to the purchaser thereof upon payment of the purchase price therefore.

9. The draft of the Preliminary Official Statement describing the Series 2005B Bonds is hereby approved as the form of the Preliminary Official Statement by which the Series 2005B Bonds will be offered for sale, with such completions, omissions, insertions and changes not inconsistent with this resolution as the Executive Director may consider appropriate. The Executive Director, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement. The Executive Director is authorized, on behalf of the Authority, to execute the final Official Statement. The Authority shall arrange for the delivery to the purchaser of the Series 2005B Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Series 2005B Bonds have been awarded, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of its group initially sell Series 2005B Bonds.

10. The Executive Director is authorized, on behalf of the Authority, to deem the Preliminary Official Statement and the final Official Statement to be final as of their respective dates within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for the omission from the Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the Preliminary Official Statement and the execution of the final Official Statement by the Executive Director shall be conclusive evidence that each has been deemed final.

11. The Executive Director is authorized and directed to determine which of the Refunded Bonds shall be refunded. The Series 1999 Bonds to be refunded, if any, are specifically and irrevocably called for redemption on October 1, 2009. The Series 2000 Bonds to be refunded, if any, are specifically and irrevocably called for redemption on October 1, 2010. The Eighteenth Supplemental Agreement shall provide for notice of redemption to be given in accordance with the Trust Agreement and the resolutions providing for the issuance of the Refunded Bonds.

12. The Executive Director is authorized to obtain, on behalf of the Authority, (a) municipal bond insurance to guarantee the payment of principal of

and interest on the Series 2005B Bonds and (b) a debt service reserve fund surety policy in lieu of all or a portion of the monies currently on deposit in the Debt Service Reserve Fund, if the Executive Director, in collaboration with the Financial Advisor, determines that obtaining municipal bond insurance or a surety policy would be in the best interest of the Authority; provided, however, that any premiums or other costs related to such insurance or surety policy shall be paid

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from proceeds of the Series 2005B Bonds or other legally available funds of the Authority. The Executive Director is hereby authorized to agree to such changes to the form of the Eighteenth Supplemental Agreement, the Series 2005B Bonds and the Preliminary Official Statement as the Executive Director may consider appropriate to comply with requirements of the bond insurer or surety provider.

13. The Chairman and the Vice-Chairman, either of whom may act, and the Executive Director are hereby authorized and directed to execute the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Chairman or Vice-Chairman and the Executive Director, the execution thereof by such officers to constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

14. In accordance with Section 503(b) of the Trust Agreement, the following matters are stated:

(a) The redemption price of the Series 1999 Bonds to be refunded, if any, is 101% (expressed as a percentage of the principal amount), plus accrued and unpaid interest. The redemption price of the Series 2000 Bonds to be refunded, if any, is 101% (expressed as a percentage of the principal amount), plus accrued and unpaid interest.

(b) The expenses incidental to the issuance of the Series 2005B Bonds and the refunding of the Refunded Bonds are estimated not to exceed \$200,000 (excluding underwriter's discount and any premiums to be paid related to municipal bond insurance or debt service reserve surety policies).

(c) The amounts required to be on deposit at all times in the Bond Fund are as determined pursuant to Section 707 of the Trust Agreement.

(d) The estimated cost of each new money purpose for which the Series 2005B Bonds will be issued is as follows:

Community Water Supply Plan	\$ 5,000,000
Ragged Mtn/Sugar Hollow Reservoir System	918,600
Water Storage/Distribution	1,815,000
North Fork Rivanna Reservoir System	50,000
Miscellaneous Security Improvements	750,000
Crozet Water System	230,000

Scottsville Water System	280,000
Wastewater Interceptor/Pumping Stations	2,301,500
Moore's Creek WWTP	885,000
Camelot Wastewater	<u>150,000</u>
	\$12,380,100

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(e) No capitalized interest is to be financed by the Series 2005B Bonds.

15. The officers of the Authority are authorized and directed to execute and deliver all certificates, instruments and documents and to take such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2005B Bonds, including without limitation execution and delivery of a certificate setting forth the expected use and investment of proceeds of the Series 2005B Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, applicable to "arbitrage bonds," making any elections that such officers deem desirable regarding any provision requiring rebate to the United States of arbitrage profits earned on the investment of proceeds of the Series 2005B Bonds, and providing for payment of any such rebate amount.

16. All other actions of the officers of the Authority in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2005B Bonds are ratified and approved.

17. The Secretary-Treasurer of the Authority is authorized and directed to see to the immediate filing of a certified copy of this resolution in the office of the Clerk of the Circuit Court of Albemarle County, Virginia.

18. This resolution shall take effect immediately.

**VOTE:**

**AYES:** Mr. Brent, Mr. Gaffney, Ms. Mueller, Mr. Tucker

**NAYS:** 0

**ABSENT DURING VOTE:** Mr. O'Connell

**ABSENT DURING MEETING:** Mr. O'Connell

**7.0 Other Items From Board/Staff Not On Agenda**

There were no other items from the Board or staff not on the Agenda.

**8.0 Closed Meeting**

There was no need for a closed meeting.

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**9.0 Adjournment**

There being no further business, Mr. Tucker moved that the meeting be adjourned, seconded by Ms. Mueller. All members voted aye, and the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

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Mr. Robert Tucker  
Secretary-Treasurer