

RESOLUTION NO. 2024-

**RESOLUTION
APPROVING THE EXECUTION AND DELIVERY
OF A SUPPORT AGREEMENT FOR
RAPPAHANNOCK COUNTY WATER & SEWER AUTHORITY**

WHEREAS, the Rappahannock County Water & Sewer Authority (the “Water & Sewer Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions adopted by the Board of Supervisors of Rappahannock County, Virginia (the “Board of Supervisors”) on May 3, 1968 in accordance with the Virginia Water and Waste Authorities Act, as amended (the “Act”) (codified at Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the “Virginia Code”)), for the purpose of servicing the sewer needs of residents of the Sperryville service area in the County of Rappahannock, Virginia (the “County”); and

WHEREAS, the Water & Sewer Authority has determined to finance all or a portion of the costs of the acquisition and installation of certain equipment, including without limitation an equalization tank and related processing equipment, and electrical infrastructure equipment (collectively, the “Project”) for the Water & Sewer Authority’s wastewater treatment system (the “System”) through the issuance by the Water & Sewer Authority of its Revenue Bond, Series 2024 (the “Series 2024 Local Bond”); and

WHEREAS, the Water & Sewer Authority has been advised that Virginia Resources Authority (“VRA”) is willing to purchase the Series 2024 Local Bond on terms favorable to the Water & Sewer Authority in accordance with the terms and conditions of a Local Bond Sale and Financing Agreement between VRA and the Water & Sewer Authority (the “2024 Financing Agreement”); and

WHEREAS, VRA has indicated that its agreement to purchase the Series 2024 Local Bond will be conditioned upon the County’s execution and delivery of a Support Agreement to evidence the non-binding obligation for the County to appropriate as may be necessary from time to time moneys to the Water & Sewer Authority in connection with the debt service payments due from the Authority under its 2024 Local Bond, which appropriated moneys will constitute a source of and security for the payment of debt service on the Series 2024 Local Bond, a substantially final draft of which Support Agreement has been presented to this meeting;

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

1. It is found and determined that the best interests of the County and its citizens will be served by the agreement by the Board of Supervisors to enter into the Support Agreement, to satisfy certain of VRA’s conditions to the purchase of the Series 2024 Local Bond.

2. The Board of Supervisors acknowledges that (i) the obligations of the Water & Sewer Authority to determine, and of the County to pay, the charges for the use of and for services to be furnished by the System are crucial to the security for the Series 2024 Local Bond, (ii) VRA would not purchase the Series 2024 Local Bond without the security and credit enhancement provided by the Support Agreement, and (iii) VRA is treating the Support Agreement as a “local obligation” within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA’s bonds to file an affidavit with the Governor of the Commonwealth (the “Governor”) that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller of the Commonwealth (the “Comptroller”) to withhold all further payment to County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as is possible, such nonpayment.
3. In consideration of the Water & Sewer Authority’s issuance of the Series 2024 Local Bond and VRA’s agreement to purchase the Series 2024 Local Bond pursuant to the terms of the 2024 Financing Agreement, the Chair or Vice Chair of the Board of Supervisors or the County Administrator or Assistant County Administrator, any of whom may act, is hereby authorized and directed to execute and deliver the Support Agreement, in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Chair or Vice Chair of the Board of Supervisors, or the County Administrator or Assistant County Administrator, in his, her or their sole discretion, the execution thereof by the Chair or Vice Chair of the Board of Supervisors or the County Administrator or Assistant County Administrator, as the case may be, to constitute conclusive evidence of the approval of such completions, omissions, insertions or changes.
4. Each of the County Administrator and the Assistant County Administrator is hereby authorized and directed to carry out the obligations set forth in the Support Agreement, and to take all proper steps on behalf of the County as may be required in connection with the Water & Sewer Authority’s financing of the Project or with the carrying out of any matter authorized by this Resolution or the Support Agreement.
5. Nothing contained herein or in the Support Agreement is or shall be deemed to constitute a “debt” of the County or to be a lending of the credit of the County to the Water & Sewer Authority, VRA or to any holder of the Series 2024 Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Support Agreement legally bind or obligate the Board of

Supervisors to appropriate funds for the purposes described in the Support Agreement.

- 6. All other acts of the County Administrator, Assistant County Administrator, or other officers of the County in furtherance of the financing of the Project, the issuance by the Water & Sewer Authority of the Series 2024 Local Bond and/or the execution and delivery by the County of the Support Agreement are hereby ratified, approved and confirmed.
- 7. No covenant, condition, agreement or obligation contained in the Support Agreement shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Support Agreement shall be liable personally on the Support Agreement, or be subject to any personal liability or accountability by reason of the execution and delivery thereof.
- 8. This Resolution shall take effect immediately.

Adopted: September 4, 2024

(SEAL)

A COPY TESTE:

Clerk to the Board of Supervisors

CERTIFICATE

The undersigned Clerk of the Board of Supervisors (the “Board”) of the County of Rappahannock, Virginia (the “County”) hereby certifies that:

1. A meeting of the Board was duly called and held on September 4, 2024 (the “Meeting”).

2. Attached hereto is a true, correct and complete copy of a resolution (the “Resolution”) of the Board entitled “**RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT FOR RAPPAHANNOCK COUNTY WATER & SEWER AUTHORITY**” as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Board present and voting during the Meeting.

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

	<u>Voting</u>				
<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Debbie Donehey, Chair	_____	_____	_____	_____	_____
Keir A. Whitson, Vice Chair	_____	_____	_____	_____	_____
Van C. Carney	_____	_____	_____	_____	_____
Donna D. Comer	_____	_____	_____	_____	_____
Christine Smith	_____	_____	_____	_____	_____

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

Dated: September 4, 2024

WITNESS my signature and the seal of the Board of Supervisors of Rappahannock County, Virginia this ____ day of September, 2024.

Clerk, Board of Supervisors of the County of
Rappahannock, Virginia

[SEAL]