

# MIDDLESEX WATER AUTHORITY

## AGENDA

April 14, 2022

1:00 P.M.

### CALL TO ORDER

1. Public Comment
2. Supplemental Resolution – Closing Loans with USDA (*Pages 3-30*)
  - A. Bond Opinion
  - B. Transcript List
  - C. Certificate of Clerk of Circuit Court
  - D. Acceptance of Paying Agent
  - E. Cross Receipt
  - F. Incumbency Certificate
  - G. Certificate of Clerk of the Board of Supervisors
  - H. Opinion of Authority Counsel
  - I. General Certificate of the Authority
3. Rates and Fees (*Pages 31-32*)
4. Public Comment

### ADJOURN

Next Regular Meeting – May 18, 2022

Additional Meetings as needed

# **PUBLIC COMMENT AND PUBLIC HEARING PROCEDURES**

## General Requirements:

1. The Chairman will invite each additional person, other than Authority members and staff attending the meeting, to make a comment.
2. Each speaker will give his or her name and address for the record.
4. Each speaker or individual will be given one opportunity to speak during the Public Comment Period and/or each Public Hearing item.
5. All comments and/or remarks will be addressed to the Water Authority, not the audience.

## Public Hearing Order:

1. Presentation of Application by Staff.
2. Chairman opens the Hearing for comments from the public.
3. Comments from speaker(s) representing a group:
  - A. Must represent four (4) or more individuals that are also present and can acknowledge that they forfeit their individual time to speak;
  - B. Are allowed 12 minutes to make their presentation(s).
4. Comments from individuals – allowed three (3) minutes each.
5. Chairman closes hearing for comments from public.
6. Questions and discussion by Authority members

**A SUPPLEMENTAL RESOLUTION OF THE MIDDLESEX WATER AUTHORITY  
AMENDING THE RESOLUTION ADOPTED SEPTEMBER 16, 2020 AUTHORIZING  
THE ISSUANCE AND SALE OF  
\$5,000,000 WATER REVENUE BOND, SERIES 2020C AND  
\$5,679,000 WATER REVENUE BOND, SERIES 2020D TO REFLECT ISSUANCE IN  
2022**

**WHEREAS**, the Middlesex Water Authority (**the “Authority”**) is a public body politic and corporate of the Commonwealth of Virginia; and

**WHEREAS**, the Authority is authorized to acquire, construct, operate and maintain water systems in the County of Middlesex, Virginia (**the “County”**) and adopted a resolution on September 16, 2020 (**the “Authorizing Resolution”**) authorizing the issuance and sale of \$5,000,000 Water Revenue Bond, Series 2020C and \$5,679,000 Water Revenue Bond, Series 2020D (**together, the “Completion Bonds”**), and

**WHEREAS**, the Authority obtained interim financing in the amount of \$10,679,000 by the issuance of its Tax-Exempt Multiple Advance Term Promissory Note purchased by COBANK, ACB, a federally chartered instrumentality of the United States (**the “Interim Note”**) for capital expenditures for water system improvements, specifically the construction and equipping of a new regional water system in Eastern Middlesex County (Deltaville and surrounding areas) (**the “Project”**); and

**WHEREAS**, the Authority desires to adopt this Supplemental Resolution to amend the Authorizing Resolution to conform the maturity date for the Completion Bonds.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDDLESEX WATER AUTHORITY:**

**AMENDING PROVISIONS**

The Authorizing Resolution is hereby amended as follows:

1. The definitions in the Authorizing Resolution are the same in this Supplemental Resolution except as specifically amended herein.
2. All references in the Authorizing Resolution to the Series 2020C Bond shall mean the Series 2022A Bond.
3. All references in the Authorizing Resolution to the Series 2020D Bond shall mean the Series 2022B Bond.
4. All references in the Authorizing Resolution to the Series 2020 Bonds shall mean the Series 2022 Bonds.

5. As to the Series 2022A Bond, the maturity date of the final installment shall be changed to 2062 and the references to the final installment shall read as follows:

“If not sooner paid, the final installment shall be due and payable on the fortieth anniversary of the Closing Date of the Series 2022A Bond in 2062.”

6. As to the Series 2022B Bond, the maturity date of the final installment shall be changed to 2062 and the references to the final installment shall read as follows:

“If not sooner paid, the final installment shall be due and payable on the fortieth anniversary of the Closing Date of the Series 2022B Bond in 2062.”

7. The form of the Series 2022 Bonds shall reference the supplemental resolution adopted by the Authority on April 14, 2022.
8. Except as amended by this Supplemental Resolution, all other terms of the Authorizing Resolution are hereby confirmed and are in full force and effect.
9. This Supplemental Resolution shall take effect immediately. The Secretary of the Authority Board is hereby authorized and directed to file a certified copy of this Supplemental Resolution in the Clerk’s Office of the Circuit Court of Middlesex County, Virginia in accordance with Section 15.2-2607 and 2627 of the Public Finance Act and Section 15.2-5126 of the Act.

The members of the Authority Board voted as follows on the adoption of this Supplemental Resolution:

Ayes

Nays

Absent

Abstentions

APPROVED:

Dated: April 14, 2022

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Chair, Middlesex Water Authority

CERTIFICATE

I, \_\_\_\_\_, the undersigned Secretary of the Middlesex Water Authority (**the “Authority”**), hereby certifies that attached hereto is a true and correct copy of a Supplemental Resolution adopted by the Authority on April 14, 2022.

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Secretary  
Middlesex Water Authority

SEAL



RICHMOND | CHRISTIANSBURG |  
FREDERICKSBURG MCLEAN | DURHAM |  
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April 19, 2022

United States of America  
Rural Utilities Service  
Richmond, Virginia 23229

Middlesex Water Authority  
Saluda, Virginia

**Middlesex Water Authority  
\$5,000,000 Water Revenue Bond, Series 2022A and  
\$5,679,000 Water Revenue Bond, Series 2022B**

Ladies and Gentlemen:

We have examined the applicable law, including the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia of 1950, as amended (**the “Act”**) and certified copies of proceedings and documents relating to the organization of the Middlesex Water Authority (**the “Authority”**) and the issuance and sale by the Authority of its \$5,000,000 Water Revenue Bond, Series 2022A, dated the date hereof and numbered R-1A (**the “2022A Bond”**) and its \$5,679,000 Water Revenue Bond, Series 2022B, dated the date hereof and numbered R-1B (**the “2022B Bond,” together with the 2022A Bond, the “Bonds”**). Reference is made to the form of the Bonds for information concerning details thereof, including payment and redemption provisions and purpose and the proceedings pursuant to which such Bonds are issued. Terms used but not defined herein are defined in the resolutions adopted by the Authority on September 16, 2020 and April 14, 2022 (**together, the “Bond Resolution”**).

The Authority has represented that the Bonds are being issued to pay all or part of the costs of constructing and equipping a public water system to serve the Deltaville community (**the “Project”**) of the County of Middlesex, Virginia (**the “County”**), to be included in the Authority’s System (as defined in the Bond Resolution). The Bonds are to be paid solely from

certain Revenues arising from the operation and ownership of the System.

Without undertaking to verify the same by independent investigation, we have relied on certifications and representations by representatives of and counsel to the Authority, the County and others as to certain facts relevant to our opinion. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed the due authorization, execution and delivery of all documents and certifications relating to the issuance of the Bonds by all parties thereto other than the Authority.

Based on and subject to the foregoing and assuming the due authorization, execution and delivery of the documents described herein, we are of the opinion that:

1. The Authority is a valid and existing public body politic and corporate, has been duly created under the Act, is in good standing under the laws of the Commonwealth of Virginia as certified by the State Corporation Commission, and has lawful authority to acquire, construct, own and operate the System, issue the Bonds and pledge the Revenues of the System to the payment of the Bonds.
2. The Bonds have been duly authorized and issued in accordance with the Act and constitute valid and binding limited obligations of the Authority payable as to principal and interest from Revenues of the Authority's System. The Bonds will be secured by a pledge of revenues from the Authority's System. Additional Bonds secured equally and ratably with the Bonds may be issued from time to time under the conditions, limitations and restrictions set forth in the Bond Resolution. Pursuant to Section 2.2-4902.1 of the Code of Virginia of 1950, as amended (**the "Code of Virginia"**), the creation, perfection, priority and enforcement of the pledge of Revenues securing the Bonds are not governed by Title 8.9A of the Code of Virginia (Uniform Commercial Code-Secured Transactions) and the filing of a financing statement is not required to perfect such pledge.
3. The rights of holders of the Bonds and the enforceability of such rights may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.
4. The interest on the Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences, if any, arising with respect to the Bonds.
5. Interest on the Bonds is exempt from all Virginia income taxes.

United States of America  
Middlesex Water Authority  
April 19, 2022  
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Our services as bond counsel to the Authority have been limited to rendering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds as stated above. We have not made any investigation concerning the financial resources of the Authority and, therefore, express no opinion as to the accuracy or completeness of any information relating to the Bonds that may have been relied upon by anyone in making a decision to purchase the Bonds or for any other purpose. We have not been requested to give any opinion, and therefore we express no opinion as to the compliance by the Authority with any other terms and conditions that may be required as a condition to the purchase of the Bonds by the United States of America. We also express no opinion regarding the tax status of interest earned on the Bonds or the effect of the issuance of the Bonds on the tax status of any Additional Bonds that may be issued other than as expressly stated herein.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after this date.

Very truly yours,

SANDS ANDERSON PC

By: \_\_\_\_\_

**MIDDLESEX WATER AUTHORITY**  
**\$5,000,000 Water Revenue Bond, Series 2022A**  
**\$5,679,000 Water Revenue Bond, Series 2022B**

**Bond Transcript Documents**

**Authority and County Proceedings**

1. General Certificate of Authority
  - Exhibit A Certificate of Fact and Articles of Incorporation of the State Corporation Commission, dated July 9, 2014, creating the Authority
  - Exhibit B Bylaws
  - Exhibit C Resolution of the Authority Authorizing the Issuance and Sale of a \$5,000,000 Water Revenue Bond, Series 2020C and \$5,679,000 Water Revenue Bond, Series 2020D and Providing for the Forms, Details and Payment Thereof, adopted September 16, 2020
  - Exhibit D Supplemental Resolution Amending the Resolution adopted September 16, 2020 Authorizing the issuance of the \$5,000,000 Water Revenue Bond, Series 2020C and \$5,679,000 Water Revenue Bond, Series 2020D to Reflect Issuance in 2022, adopted April 14, 2022
  - Exhibit E Specimen Bonds
2. Certificate of Clerk of Circuit Court of Middlesex County
3. Certificate of the Clerk of the Board of Supervisors of Middlesex County, Virginia
4. Rural Development Form Loan Resolution
5. Incumbency Certificate

**Closing Documents**

6. Acceptance of Paying Agent/Registrar
7. Cross Receipts
8. Opinion of Heather Lewis, Esquire, Authority Counsel
9. Opinion of Sands Anderson PC, Bond Counsel
10. Confirmation of Pay-Off

**CERTIFICATE OF THE CLERK OF THE CIRCUIT COURT  
OF MIDDLESEX COUNTY, VIRGINIA**

The undersigned Clerk of the Circuit Court of Middlesex County, Virginia (**the “County”**) does hereby certify as follows:

1. A resolution entitled “A Resolution of the Middlesex Water Authority Authorizing the Issuance and Sale of a \$5,000,000 Water Revenue Bond, Series 2020C and \$5,679,000 Water Revenue Bond, Series 2020D and Providing for the Form, Details and Payment Thereof” (**the “Bond Resolution”**), certified by the Secretary of the Middlesex Water Authority (**the “Authority”**) as adopted by the Authority on September 16, 2020, was filed with the Circuit Court of the County on September 17, 2020 in accordance with Section 15.2-5126 of the Code of Virginia of 1950, as amended (**the “Code”**).
2. A supplemental resolution entitled “A Supplemental Resolution of the Middlesex Water Authority Amending the Resolution Adopted September 16, 2020 Authorizing the Issuance and Sale of \$5,000,000 Water Revenue Bond, Series 2020C and \$5,679,000 Water Revenue Bond, Series 2020D to reflect issuance in 2022” (**the “Supplemental Resolution,” together with the Bond Resolution, the “Resolutions”**), certified by the Secretary of the Authority as adopted by the Authority on April 14, 2022, was filed with the Circuit Court of the County on April \_\_, 2022 in accordance with Section 15.2-5126 of the Code.
3. As of the date hereof, no litigation has been filed in the Circuit Court contesting (a) the validity of the Authority’s \$5,000,000 Water Revenue Bond, Series 2022A (**the “Series 2022A Bond”**) and its \$5,679,000 Water Revenue Bond, Series 2022B (**the “Series 2022B Bond,” together with the Series 2022A Bond, the “Bonds”**) since the adoption of the Authority’s Resolutions, (b) any provision in the Resolutions, or (c) any matter contained in the Bonds.
4. The persons named below are the Directors of the Authority, as September 16, 2020, April 14, 2022 and as of the date of this certificate, and have taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia, 1950, as amended, as follows:

<u>Name</u>	<u>Beginning of Term</u>	<u>End of Term</u>	<u>Date Oath Taken</u>
Greg Chambers, Chair	7/1/2020	6/30/2024	7/9/2020
Janet V. Riggs, Vice Chair	7/1/2018	6/30/2022	9/10/2020
James M. Reed, Treasurer	7/1/2020	6/30/2024	9/10/2020
Carlton S. Revere, Secretary	7/1/2018	6/30/2022	4/16/2018
Lud H. Kimbrough, III	7/1/2018	6/30/2022	1/14/2020

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate as of the \_\_\_\_\_ day of April, 2022.

\_\_\_\_\_  
Clerk of the Circuit Court of

## ACCEPTANCE OF PAYING AGENT/REGISTRAR

The undersigned Secretary of the Middlesex Water Authority (the “**Authority**”), hereby acknowledges receipt of certified copies of resolutions entitled, “**A RESOLUTION OF THE MIDDLESEX WATER AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF A \$5,000,000 WATER REVENUE BOND, SERIES 2020C AND \$5,679,000 WATER REVENUE BOND, SERIES 2020D AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**” adopted by the Authority on September 16, 2020 (the “**Bond Resolution**”), and “**A SUPPLEMENTAL RESOLUTION OF THE MIDDLESEX WATER AUTHORITY AMENDING THE RESOLUTION ADOPTED SEPTEMBER 16, 2020 AUTHORIZING THE ISSUANCE AND SALE OF A \$5,000,000 WATER REVENUE BOND, SERIES 2020C AND \$5,679,000 WATER REVENUE BOND, SERIES 2020D TO REFLECT ISSUANCE IN 2022**” (the “**Supplemental Resolution,**” together with the **Bond Resolution, the “Resolutions**”) under which the Secretary of the Authority has been designated and appointed as the Paying Agent/Registrar for the Authority’s \$5,000,000 Water Revenue Bond, Series 2022A (the “**Series 2022A Bond**”) and its \$5,679,000 Water Revenue Bond, Series 2022B (the “**Series 2022B Bond,**” together with the **Series 2022A Bond, the “Bonds**”).

The Secretary hereby accepts the appointment as Paying Agent/Registrar for the Bonds and agrees to perform the duties and obligations imposed on the Paying Agent/Registrar, all in accordance with the terms, conditions and provisions of, and subject to the limitations set forth in, the Bond Resolution.

### THE UNDERSIGNED DOES HEREBY CERTIFY THAT:

1. Pursuant to the Bond Resolution, the Secretary of the Authority has duly authenticated the Bonds, in definitive form, in the denominations, as more particularly described in the Schedules attached hereto as Exhibit A-1 and Exhibit A-2.
2. The person indicated below was, at the time of authentication of the Bonds, and is now, the duly elected, qualified and acting incumbent of his office, and pursuant to authorization from the Authority, in his official capacity, is authorized to authenticate the Bonds as Paying Agent/Registrar.

**IN WITNESS WHEREOF**, the undersigned has caused this certificate to be duly executed and delivered this \_\_ day of April, 2022.

**PAYING AGENT/REGISTRAR**

By: \_\_\_\_\_  
Secretary  
Middlesex Water Authority

**EXHIBIT A-1**

**Description of 2022A Bond**

\$5,000,000 Middlesex Water Authority  
Water Revenue Bond, Series 2022A

**Numbered**

R-1A

**Denomination**

\$5,000,000

**EXHIBIT A-2**

**Description of 2022B Bond**

\$5,679,000 Middlesex Water Authority  
Water Revenue Bond, Series 2022B

**Numbered**

R-2B

**Denomination**

\$5,679,000

**CROSS RECEIPTS**

The United States Department of Agriculture, Rural Utilities Service (formerly Farmers Home Administration), by its duly authorized representative hereby acknowledges that it has received from Middlesex Water Authority its \$5,000,000 Water Revenue Bond, Series 2022A (the “Series 2022A Bond”) and its \$5,679,000 Water Revenue Bond, Series 2022B (the “Series 2022B Bond,” together with the Series 2022A Bond, the “Bonds”), each dated April 19, 2022.

**UNITED STATES OF AMERICA acting by and through Rural Utilities Service (formerly Farmers Home Administration), an agency of the United States Department of Agriculture**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Receipt: April \_\_, 2022

The Middlesex Water Authority (**the “Authority”**), by its duly authorized officer, hereby acknowledges that it has received monies in the amount of Five Million and 00/100 DOLLARS (\$5,000,000.00) on the date of this receipt from the United States Department of Agriculture, Rural Utilities Service (formerly Farmers Home Administration) from the sale of the Authority’s \$5,000,000 Water Revenue Bond, Series 2022A (**the “Series 2022A Bond”**) to be disbursed in accordance with the Bond Resolution described in the Series 2022A Bond.

The Authority, by its duly authorized officer, hereby acknowledges that it has received monies in the amount of Five Million Six Hundred Seventy-Nine Thousand and 00/100 DOLLARS (\$5,679,000.00) on the date of this receipt from the United States Department of Agriculture, Rural Utilities Service (formerly Farmers Home Administration) from the sale of the Authority’s \$5,679,000.00 Water Revenue Bond, Series 2022B (**the “Series 2022B Bond”**) to be disbursed in accordance with the Bond Resolution described in the Series 2022B Bond.

**[Signature Page to Follow]**

**MIDDLESEX WATER AUTHORITY**

By: \_\_\_\_\_  
Secretary

Date of Receipt: April \_\_, 2022

*[Signature Page to Cross Receipt]*

## INCUMBENCY CERTIFICATE

The undersigned Secretary of the Middlesex Water Authority (**the “Authority”**) **DOES HEREBY CERTIFY** that the names and the dates of the beginning and end of the terms of office and on which the oaths were taken, of the current members of the Authority are as follows:

<b><u>Name</u></b>	<b><u>Beginning of Term</u></b>	<b><u>End of Term</u></b>	<b><u>Date Oath Taken</u></b>
Greg Chambers, Chair	7/1/2020	6/30/2024	7/9/2020
Janet V. Riggs, Vice Chair	7/1/2018	6/30/2022	9/10/2020
James M. Reed, Treasurer	7/1/2020	6/30/2024	9/10/2020
Carlton S. Revere, Secretary	7/1/2018	6/30/2022	4/16/2018
Lud H. Kimbrough, III	7/1/2018	6/30/2022	1/14/2020

The positions of Chair and Vice-Chair are elected annually by the Authority.

The Executive Director is Matt Walker who was appointed by the Authority on July 17, 2014.

**IN WITNESS WHEREOF**, the undersigned has executed this Certificate this \_\_\_ day of April, 2022.

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Secretary  
Middlesex Water Authority

**CERTIFICATE OF THE CLERK OF THE BOARD OF  
SUPERVISORS OF MIDDLESEX COUNTY, VIRGINIA**

The undersigned Clerk of the Board of Supervisors of Middlesex County, Virginia (**the “County”**), hereby certifies as follows:

1. The Board of Supervisors of the County (**the “Board”**) created the Middlesex Water Authority (**the “Authority”**) by an ordinance adopted June 10, 2014 and its charter was issued by the State Corporation Commission on July 9, 2014 all pursuant to the Virginia Water and Waste Authorities Act (**the “Act”**), Chapter 51 of Title 15.2 of the Code of Virginia of 1950 as amended (**the “Code”**). The Authority has been continuously organized and operating under the Act since its creation and no dissolution proceedings pursuant to §15.2-5109 of the Act have been adopted. The Authority is on the date hereof a duly created and validly existing public body politic and corporate of the Commonwealth of Virginia vested with the rights and powers conferred upon the Authority under the Act.

2. The following persons constitute the duly appointed and acting Directors of the Authority on September 16, 2020, April 14, 2022 and as of the date hereof for the terms beginning and expiring and oaths taken as indicated:

<u>Name</u>	<u>Beginning of Term</u>	<u>End of Term</u>	<u>Date Oath Taken</u>
Greg Chambers, Chair	7/1/2020	6/30/2024	7/9/2020
Janet V. Riggs, Vice Chair	7/1/2018	6/30/2022	9/10/2020
James M. Reed, Treasurer	7/1/2020	6/30/2024	9/10/2020
Carlton S. Revere, Secretary	7/1/2018	6/30/2022	4/16/2018
Lud H. Kimbrough, III	7/1/2018	6/30/2022	1/14/2020

3. While serving as members of the Board of Directors of the Authority none of the above named individuals is or was an officer or employee of the County, except for Lud H. Kimbrough, III who is also a member of the Board of the County, as permissible under Section §15.2-5113 of the Code; all of the above named individuals have taken and subscribed to the oath prescribed by Section §49-1 of the Code, upon appointment or reappointment to the Authority; all appointments of the Directors listed in paragraph 2 above are in full force and effect on the date hereof, and no resolution of the Authority has been filed for record with the County, pursuant to Section §15.2-5109 of the Code, requesting dissolution of the Authority.

**IN WITNESS WHEREOF**, I have set my hand and the seal of the Board of Supervisors of Middlesex County, Virginia, on the \_\_\_\_ day of April, 2022.

\_\_\_\_\_  
Clerk, Board of Supervisors of  
Middlesex County, Virginia

[SEAL]

[LETTERHEAD OF AUTHORITY COUNSEL]

April 19, 2022

Middlesex Water Authority  
Saluda, Virginia

United States of America  
Rural Utilities Service  
Richmond, Virginia 23229

Sands Anderson PC  
Richmond, Virginia 23219

**Middlesex Water Authority**  
**\$5,000,000 Water Revenue Bond, Series 2022A**  
**\$5,679,000 Water Revenue Bond, Series 2022B**

Ladies and Gentlemen:

In connection with my representation of the Middlesex Water Authority (**the “Authority”**) as to the issuance and sale by the Authority of its \$5,000,000 Water Revenue Bond, Series 2022A, dated the date hereof and numbered R-1A (**the “2022A Bond”**) and its \$5,679,000 Water Revenue Bond, Series 2022B, dated the date hereof and numbered R-1B (**the “2022B Bond,” together with the 2022A Bond, the “Bonds”**), I have examined and have reviewed the original or certified copy of the Authority Resolution (as defined below). Terms used but not defined herein are defined in the Authority Resolution

Based on the foregoing, and such other information and documents as I consider necessary for the purpose of delivering this opinion, I am of the opinion that:

1. The Authority duly adopted by a majority vote of all members of the Authority at meetings duly called and held on September 16, 2020 and April 14, 2022, (**together, the “Authority Resolution”**) which provided for the issuance and sale and award of the Bonds and pledge the Revenues of the System to the payment of the Bonds. The Authority Resolution is in full force and effect and has not been amended, modified or rescinded by the Authority.
2. The Authority has full right, power and authority to (i) adopt the Authority Resolution and execute and deliver the other documents related thereto, (ii) issue, sell and deliver the Bonds to the United States, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire or equip the Project and finance or refinance the Project Costs by borrowing money for such purpose pursuant to the Authority

Resolution and the issuance of the Bonds, (vi) pledge the Revenues of the System to the payment of the Bonds, and (vii) carry out and consummate all of the transactions contemplated by the Authority Resolution and the Bonds.

3. The issuance of the Bonds and the performance by the Authority of its obligations thereunder are within the powers of the Authority and will not conflict with, or constitute a breach or result in a violation of (i) any Federal, or Virginia constitutional or statutory provision, including the Authority's articles of incorporation, (ii) to the best of my information, knowledge and belief, any agreement or other instrument to which the Authority is a party or by which it is bound or (iii) to the best of my information, knowledge and belief, any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or its property.
4. To the best of my information, knowledge and belief, (i) the Authority is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and (ii) no event or condition has happened or existed or is happening or existing under the provisions of any instrument under or subject to which any indebtedness for borrowed money has been incurred, including but not limited to the Bonds, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.
5. To the best of my information, knowledge and belief, the Authority (i) is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bonds and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bonds.
6. There are not pending nor, to the best of my information, knowledge or belief, threatened against the Authority, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Authority or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Authority Resolution or the Bonds or the issuance or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Authority Resolution, the Bonds or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or

Middlesex Water Authority  
United States of America  
Rural Utilities Service  
Sands Anderson PC  
April 19, 2022  
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resolution may have a material adverse effect on the Authority or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Authority Resolution or the Bonds, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Authority to pledge the Revenues to the payment of the Bonds.

Very truly yours,

**GENERAL CERTIFICATE OF  
MIDDLESEX WATER AUTHORITY**

The undersigned officers of the Middlesex Water Authority, a political subdivision of the Commonwealth of Virginia (**the “Authority”**), hereby certify as follows:

1. They are the duly elected, qualified and acting incumbents of their respective offices of the Authority and as such are familiar with its books and corporate records.

2. The Authority was created on July 9, 2014 pursuant to the Virginia Water and Waste Authorities Act, Chapter 51 of Title 15.2 of the Code of Virginia of 1950 as amended (**the “Act”**) and by an ordinance adopted by the Board of Supervisors (**the “Board of Supervisors”**) of Middlesex County, Virginia (**the “County”**) and its Articles of Incorporation (**the “Articles”**) filed with the State Corporation Commission. Attached hereto, as **Exhibit A** is a Certificate of Fact and the Articles of Incorporation of the Authority (**the “Articles”**). The Articles have not been further amended, revoked, modified or rescinded and remain in full force and effect on the date hereof. Attached hereto as **Exhibit B** are the Bylaws of the Authority. The Bylaws have not been amended, revoked, modified or rescinded and remain in full force and effect on the date hereof.

3. A meeting of the Authority was duly called and held on September 16, 2020. The following members were present and absent:

Present: Greg Chambers, Chair  
Janet V. Riggs, Vice Chair  
James M. Reed, Treasurer  
Carlton S. Revere, Secretary  
Lud H. Kimbrough, III

Absent: None

Attached hereto as **Exhibit C** is a true, correct and complete copy of a resolution Authorizing the Issuance and Sale of a \$5,000,000 Water Revenue Bond, Series 2020C, now known as the 2022A Bond (**the “Series 2022A Bond”**) and a \$5,679,000 Water Revenue Bond, Series 2020D, now known as the 2022B Bond (**the “Series 2022A Bond,” together with the Series 2022B Bond, the “Bonds”**) and Providing for the Form, Details and Payment Thereof (**the “Bond Resolution”**) which was adopted by the affirmative vote of a majority of the Directors of the Authority, which Bond Resolution has not been repealed, revoked, rescinded or amended as of the date of this Certificate and is in full force and effect. The vote as recorded in the minutes of the meeting is as shown below:

<u>Member</u>	<u>Vote</u>
Greg Chambers, Chair	Aye
Janet V. Riggs, Vice Chair	Aye
James M. Reed, Treasurer	Aye

Carlton S. Revere, Secretary  
Lud H. Kimbrough, III

Aye  
Aye

4. A meeting of the Authority was duly called and held on April 14, 2022. The following members were present and absent:

Present:

Absent:

Attached hereto as **Exhibit D** is a true, correct and complete copy of a supplemental resolution amending the Bond Resolution authorizing the issuance and sale of the Bonds (**the “Supplemental Resolution,” together with Bond Resolution, the “Resolutions”**) which was adopted by the affirmative vote of a majority of the Directors of the Authority, which Supplemental Resolution has not been repealed, revoked, rescinded or amended as of the date of this Certificate and is in full force and effect. The vote as recorded in the minutes of the meeting is as shown below:

**Member**

**Vote**

5. The persons named below are the duly elected and qualified incumbents of the offices of the Authority set opposite their respective names, and the signatures of the Chair and Secretary appearing at the end of this Certificate are their genuine signatures:

**Title**

**Name**

Chair

Greg Chambers

Vice Chair

Janet V. Riggs

Secretary

Carlton S. Revere

Treasurer

James M. Reed

Executive Director

Matt Walker

6. Pursuant to the Act and the Resolutions, there have been duly prepared and executed on behalf of the Authority, the Bonds, specimens of which are attached as **Exhibit E-1 and E-2**, which are incorporated herein by this reference. The Bonds have been duly executed on behalf of the Authority by the manual or facsimile signature of its Chair or Vice Chair, and its corporate seal has been impressed or reproduced thereon and attested by the manual or facsimile signature of its Secretary.

7. The Resolutions have not been repealed, revoked, rescinded or amended, are in full force and effect on the date hereof and constitute the only resolutions adopted by the Authority with respect to the authorization and issuance of the Bonds. The construction, ownership and operation of the System by the Authority have been duly authorized by the Authority. The Authority is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

8. The Authority is not in violation of the Act or the Articles creating it or any existing law, court order or administrative regulation applicable to it. The execution and delivery by the Authority of the Bonds, and the compliance with the terms and conditions thereof and the execution and delivery of the Bonds will not result in the breach of, or constitute a default under, the Act, the Articles, any Virginia constitutional or statutory provision, any agreement, instrument, contract or security agreement to which the Authority is a party, or any rule, regulation, ordinance, decree, opinion, ruling or other official statement of any state or federal court, department, agency, or other administrative body having jurisdiction over the Authority. There is no default by the Authority, and there has occurred no event, which with the passage of time, or the giving of notice, or both, would constitute an event of default by the Authority under the Bonds.

9. To the best of our knowledge, no further approval, consent or withholding of objection on the part of any regulatory body, federal state or local, is required in connection with (a) the issuance and delivery of the Bonds, (b) the execution or delivery of the Bonds by the Authority or compliance by the Authority with the terms and conditions of the Bonds. The performance by the Authority of its obligations in the manner and under the terms and conditions as provided in the Bonds will comply with all applicable state, local or federal laws and to the best of its knowledge any rules and regulations promulgated thereunder by any regulatory authority or agency.

10. The Authority has duly authorized all actions necessary or appropriate to be taken for: (1) the issuance and sale of the Bonds; (2) appointing the Secretary of the Authority as paying agent/registrar; (3) the acceptance or execution, delivery and due performance of the Bonds, and any and all such other agreements and documents as may be required to be executed, delivered, received or consented to by the Authority, in order to carry out, give effect to, and consummate the transactions contemplated hereby; and (4) the carrying out, giving effect to, and consummation of, the transactions contemplated in the Bonds.

11. No litigation, inquiry or investigation of any kind of or by any judicial or administrative court or agency is pending or, to our knowledge threatened, against the Authority with respect to (a) the organization and existence of the Authority, (b) its authority to execute, issue, deliver or perform the Authority's obligations under, or consent to, the Bonds, (c) the validity or enforceability of any of such instruments or the transactions contemplated thereby, (d) the title of

the officers of the Authority who executed such instruments, or (e) any authority or proceedings relating to the execution and delivery of or the performance of the Authority's obligations under, such instruments on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

12. The Authority is in compliance with all covenants and undertakings in connection with the Resolutions.

13. The seal of the Authority is the same seal of which an impression appears below and which has been impressed or reproduced upon the Bonds.

14. Each of the representations, covenants and warranties of the Authority set forth in the Bonds and the Resolutions is true, accurate and complete as of the date hereof.

Witness our hands and the seal of the Authority, this \_\_\_\_ day of April, 2022.

**MIDDLESEX WATER AUTHORITY**

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Secretary

SEAL

The undersigned Authority Counsel to the Middlesex Water Authority certifies that the officers of the Authority are the duly elected or appointed and qualified incumbents of the offices indicated and that their signatures as appearing above are true and genuine.

\_\_\_\_\_  
Authority Counsel

**EXHIBITS:**

- A. Certificate of Fact and Articles of Incorporation
- B. Bylaws
- C. Bond Resolution, adopted September 16, 2020
- D. Supplemental Resolution, adopted April 14, 2022
- E. Specimen Bonds

**Middlesex Water Authority**  
**Matthew L. Walker**  
**Executive Director**  
**P. O. Box 428**  
**Saluda, Virginia 23149**  
**804-758-4330**



April 10, 2022

TO: Middlesex Water Authority  
FROM: Betty S. Muncy  
SUBJECT: Rates and Fees

The Authority's current fees were written to change based on the date for closing the second loan series with the USDA. Attached are the current rates showing the removal of the vacant lot option. The question is whether or not to make the next change to full rate based on closing the loans or completing the project.

## EASTERN MIDDLESEX WATER SYSTEM PROJECT CONNECTION RATES AND ~~PROPOSED~~ FEES

~~January 4, 2021~~ April 19, 2022

	Meter Size:					
	<del>Vacant Lot<sup>2</sup></del>	3/4"	1"	1 1/2"	2"	3"
<b>Connection Fee<sup>1</sup></b>						
AFTER January 1, 2021	<del>\$7500</del>	\$7500	\$18,750	\$37,500	\$60,000	\$90,000
Deposit	<del>\$750</del>	\$750	<del>\$1,875</del>	<del>\$3,750</del>	<del>\$6,000</del>	<del>\$9,000</del>
<b>AFTER final USDA Loan Closing (anticipated December, 2021)</b>	<del>3/4" connection fee &amp; rates apply</del>	\$10,000	\$25,000	\$50,000	\$80,000	\$120,000

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<b>Proposed Rates<sup>2</sup></b>						
Min. Rate per Month	<del>\$20.00</del>	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
Base gallons allowed / month	<del>n/a</del>	3,000	3,000	3,000	3,000	3,000
Rate/1,000 gallons over Base	<del>n/a</del>	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

~~<sup>1</sup>Incentivized connection fees are based on when you submit your Subscriber Agreement and Deposit. A minimum 10% deposit is due with submission of the Agreement, with the balance due before the meter is set and prior to water being turned on at the service location.~~

~~<sup>2</sup>Before the closing of the USDA loan, vacant lot owners have the option of subscribing as a vacant lot and paying a lower monthly rate until a meter is requested. After closing the USDA loan, vacant lot rates will no longer apply.~~