

# AGENDA

Tuesday, March 14, 2017  
4:00 PM

## **4:00 CALL MEETING TO ORDER (Wade H. Blevins Jr., Chairman)**

### **CLOSED SESSION**

Code of Virginia, Section 2.2-3711 **A.5; Industrial/Business Prospects**; discussion concerning a business or industry considering expansion with no previous announcement being made and **A.7 Legal**; discussion with legal counsel and staff pertaining to actual or probable litigation.

## **5:00 CALL MEETING TO OPEN SESSION**

Invocation and Pledge of Allegiance

## **ADOPTION OF AGENDA**

Adopt the agenda and the additional agenda as presented

## **MINUTES OF PREVIOUS MEETINGS**

Request adoption of the February 14<sup>th</sup> and February 23<sup>rd</sup>, 2017 meeting minutes.

## **FINANCIAL STATUS**

Michael Carter – Inform the Board of the County's financial status

## **PAYMENT OF INVOICES**

Consideration of appropriations and accounts payable as listed on the additional agenda

## **5:15 CITIZENS TIME**

**5:30 Roland Kooch, Davenport and Company-Refinancing Information**

**5:50 Harry Dean-SWIFA 2016 Annual Report**

**6:00 Public Hearing-Green Valley Court**

**6:15 Public Hearing-Workforce Innovation and Opportunity Act**

**6:30 Public Hearing-CDBG Lick Skillet Project Phase II**

**6:35 Kelly Spencer Hill, Blood Assurance-Blood Donation**

**NEW BUSINESS**

**\*Planning Commission Recommendations-Michael Carter**

**\*AEP Agreement-Jeff Campbell**

**\*Committee Recommendations**

- **Budget Committee, Wade Blevins-Chair**
- **Building and Grounds Committee, Roscoe Call-Chair**
- **Insurance Committee, Charles Atkins-Chair**
- **Water/Sewer Committee, Roscoe Call-Chair**

**\*Consideration of Vacation of Alley-Way from Public Hearing on February 23, 2017**

**Supervisor Comment Time**

**Meeting Reminders:**

**Joint Public Hearing, March 23, 2017 @ 7:00 P.M.**

The Smyth County Board of Supervisors held its regular meeting at 4:00 p.m., Tuesday, February 14, 2017. The location of the meeting was in the First-Floor Board Room of the County Office Building, 121 Bagley Circle, Suite 100, Marion, Virginia.

**PRESENT:** Chairman, Chilhowie District Supervisor Wade H Blevins, Jr., Vice Chairman Park District Supervisor M. Todd Dishner; North Fork District Supervisor Phil Stevenson; Atkins District Supervisor Charles Atkins; Saltville District Supervisor Roscoe D Call (5)

**ABSENT:** Royal Oak District Supervisor G. Blake Frazier and Rye Valley District Supervisor Rick K Blevins (2)

**STAFF:** County Administrator Michael Carter; Assistant County Administrator Scott Simpson; County Attorney Travis Lee; Administrative Assistant Kelly Woods; Director of Community & Economic Development Lori Deel (5)

**OTHERS:** Stephanie Porter-Nichols, Smyth County News and Messenger, Sheriff Chip Shuler, Johnny Joannou, and Ernie Atwell with the Smyth County Sheriff's Office (4)

 2/14/2017 4:03 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. called the meeting to order.

A motion was made by Park District Supervisor M. Todd Dishner to enter into closed session under Code of Virginia, Section 2.2-3711 – **A.5; Industrial/Business Prospects**; discussion concerning a business or industry considering expansion with no previous announcement being made, and **A.7 Legal**; discussion with legal counsel and staff pertaining to actual or probable litigation. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the motion **PASSED** by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr., Vice Chairman, Park District Supervisor M. Todd Dishner, Saltville District Supervisor Roscoe D. Call, Atkins District Supervisor Charles Atkins and North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** Royal Oak District Supervisor G. Blake Frazier and Rye Valley District Supervisor Rick K. Blevins.

 2/14/2017 4:19 PM Rye Valley District Supervisor Rick K. Blevins entered the meeting.

 2/14/2017 4:21 PM Royal Oak District Supervisor G. Blake Frazier entered the meeting.

 2/14/2017 5:04 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. called the meeting back to order from Closed session.

It was moved by Park District Supervisor M. Todd Dishner, seconded by Saltville District Supervisor Roscoe D. Call, to adopt the following resolution certifying the business conducted in closed session as follows:

## **RESOLUTION**

### **CERTIFICATION OF CLOSED SESSION**

**WHEREAS**, the Smyth County Board of Supervisors has convened in a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Smyth County Board of Supervisors that such a meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Smyth County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Smyth County Board of Supervisors.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 5:04 PM Lori Deel, Director of Community and Economic Development gave the invocation and Heather Street, Systems Specialist led the Pledge of Allegiance.

 2/14/2017 5:05 PM A motion was made by Saltville District Supervisor Roscoe D. Call, seconded by Royal Oak District Supervisor G. Blake Frazier to adopt the agenda and additional agenda as presented.


After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 5:05 PM It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Royal Oak District Supervisor G. Blake Frazier to adopt the minutes of the January 10<sup>th</sup>, 2017 meeting and the January 26, 2017 meeting. Michael Carter, County Administrator stated that a change had been made to the January 26<sup>th</sup>, 2017 meeting minutes, due to an error with the wording of the motion and recording of the vote. The minutes should read as shown below.

*"Rye Valley District Supervisor Rick K. Blevins made a motion to schedule a Public Hearing for the vacation of the alleyway in Sugar Grove for February 23, 2017 at 7:30 P.M. Saltville District Supervisor Roscoe D. Call seconded the motion."*

*After consideration, the motion PASSED by the following vote:*

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call and  
Atkins District Supervisor Charles Atkins.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** Royal Oak District Supervisor G. Blake Frazier and North Fork District Supervisor Phil Stevenson.

*After consideration, the motion PASSED by the following vote:*

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 5:07 PM Financial Status Update- Michael Carter, County Administrator presented the Board with information on the current FY2016-2017 budget and a current month analysis for appropriations.

 2/14/2017 5:21 PM It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Rye Valley District Supervisor Rick K. Blevins to appropriate \$1,550,000.00 from the General Fund. The following is an explanation of the appropriations approved:

**General County**

Accounts Payable Listing:	<b>\$859,713.27</b>
Payroll:	<b>\$674,671.43</b>
Auto Draft Rural Development:	<b>\$8,974.00</b>
AEP/Century Link Bills:	<b>\$25,000.00</b>
County Administration Fund:	<b>\$5,000.00</b>

**Total County Appropriation (Plus Carryover):** **\$1,550,000.00**

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Park District Supervisor M. Todd Dishner to appropriate \$320,000.00 from the General Fund. The following is an explanation of the appropriations approved:

**Social Services**

(February 15-February 28, 2017)	<b>\$ 260,000.00</b>
(March 1-March 14, 2017)	<b>\$ 60,000.00</b>

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It was moved by Royal Oak District Supervisor G. Blake Frazier, seconded by Saltville District Supervisor Roscoe D. Call to appropriate \$3,730,000.00 from the General Fund. The following is an explanation of the appropriations approved:

**Schools-Operating Fund**

Instruction	\$2,900,000.00
Administration, Attendance, & Health	\$110,000.00
Transportation	\$145,000.00
Facilities	\$400,000.00
School Food Service	\$75,000.00
Technology	\$100,000.00
<b>Total School Operating Fund:</b>	<b>\$3,730,000.00</b>

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chairman, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Park District Supervisor M. Todd Dishner to appropriate \$273,930.99 from fund 301 for the Courthouse Project.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Park District Supervisor M. Todd Dishner to appropriate \$7,405.71 from the Sheriff's Fund 748 for open invoices.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,

Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It was moved by Saltville District Supervisor Roscoe D. Call, seconded by Rye Valley District Supervisor Rick K. Blevins to appropriate \$3,459.00 from the EDA Fund 4 for open invoices.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 5:24 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. opened Citizens time.

Zackary McNew, 188 North Drive Marion, Virginia spoke concerning a sewer issue he has with his property. The McNew's acquired a home and were told they were connected to the public sewer. They paid \$394.90 until October 2015, when the sewage backed up and it was determined they were still connected to the septic system and not to the public sewer. Since that time, they have accumulated another \$1,246.42 of account charges, and don't feel as if they should pay due to not being the original applicant for the public sewer and were never connected. Rye Valley District Supervisor Rick K. Blevins made a motion to send this matter to the Water/Sewer Committee to be discussed at a future meeting. North Fork District Supervisor Phil Stevenson seconded the motion.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.


**NAYS:** None.


**ABSTAINERS:** None.




**ABSENT:** None.

 2/14/2017 5:34 PM John Graham, Clerk of Circuit Court spoke, sharing some historical information with the Board of Supervisors and stated that his Office will be pleased to be moving into their new space in the Courthouse.

 2/14/2017 5:44 PM Mike Albano, 228 Robinhood Drive Marion, VA, presented an article on Tourism, focusing on Travel Youth Sports and would like the Board to consider working together to place a sports complex in Smyth County.

 2/14/2017 5:47 PM With no one else wishing to speak, Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. closed Citizens time.

 2/14/2017 5:48 PM Conrad Hill, Virginia Department of Transportation presented an update to the Board on projects that are currently being completed within the County. Mr. Hill also stated a Public Hearing needed to be scheduled to develop the 6-year plan.

Rye Valley District Supervisor Rick K. Blevins made a motion to schedule a Public Hearing for the VDOT 6-year plan for April 11, 2017 at 6:00 P.M. Royal Oak District Supervisor G. Blake Frazier seconded the motion.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.


**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Several Board members presented issues they have been notified about from citizen's within their district and asked Mr. Hill to look into them.

Michael Carter, County Administrator presented an updated concerning the McMullin Bridge, and stated he had been in communication with VDOT, and although the bridge is currently in the planning phase and there is no identified funding source at this time.

 2/14/2017 5:59 PM Brian Reed, Deputy Director with Mount Rogers Planning District Commission, stated the Community Development Block Grant deadline is March 29, 2017 and is requesting for the Board to schedule a Public Hearing. Royal Oak District Supervisor G. Blake Frazier made a motion to


allow Staff and Mt. Rogers Planning District Commission to schedule the Public Hearings as needed to meet the deadline for the CDBG. North Fork District Supervisor Phil Stevenson seconded the motion.


**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 6:17 PM Lori Deel, Director of Community and Economic Development presented a slide show to the Board on the progress that has been made by Retail Attractions over the last several months.

 2/14/2017 6:22 PM Ernie Atwell, Smyth County Sheriff's Office presented a request to apply for a three (3) grants that will aid in the repair of radios for the Sheriff's Department in the amount of \$398,695, which does not require a local match. Two of grants are Highway Safety grants, and one grant is a FEMA grant.

Royal Oak District Supervisor G. Blake Frazier made a motion to approve Mr. Atwell's request to apply for the three (3) grants, with no local match required. Rye Valley District Supervisor Rick K. Blevins seconded the motion.

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Saltville District Supervisor Roscoe D. Call,  
Royal Oak District Supervisor G. Blake Frazier,  
Atkins District Supervisor Charles Atkins and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 6:26 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. called for a recess.

 2/14/2017 6:39 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. called the meeting back to order.



2/14/2017 6:39 PM Michael Carter, County Administrator presented the following recommendations from the Planning Commission:

*Commissioner Joel Pugh made a motion to recommend approval of JMB Investment Co., LLC's request for a Map Amendment to the Official Zoning Map of Smyth County, Virginia, from Agricultural/Rural to Commercial (Tax Map Nos. 71F-6-1, 71F-6-2A, 71F-6-3, 71F-6-4, and 71F-6-5). Commissioner David Spence seconded the motion.*

*After consideration, the motion PASSED by the following vote:*

**AYES:** Sparks, Spence Wagoner, Shepherd, Pugh, Davidson Jr., and Doyle.  
**NAYS:** None.  
**ABSTAINERS:** None.  
**ABSENT:** None.

Royal Oak District Supervisor G. Blake Frazier made a motion to accept the recommendation as presented from the Planning Commission. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.  
**ABSTAINERS:** None.  
**ABSENT:** None.

*Commissioner Joel Pugh made a motion to recommend approval of Thornton and Star Sexton's request for a Special Use Permit to expand a non-conforming use (welding shop-Tax Map No. 48-A-150A). Commissioner Robbie Doyle seconded the motion.*

*After consideration, the motion PASSES by the following vote:*

**AYES:** Sparks, Spence Wagoner, Shepherd, Pugh, Davidson Jr., and Doyle.  
**NAYS:** None.  
**ABSTAINERS:** None.  
**ABSENT:** None.

Atkins District Supervisor Charles Atkins made a motion to accept the recommendation as presented from the Planning Commission. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,

Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 6:44 PM Michael Carter, County Administrator presented the following Resolution for a Bridge Dedication:

**Naming the Bridge on Route 649 in Smyth County as the  
"Urshel E. Miller Sr. Bridge"**

**WHEREAS**, the Smyth County Board of Supervisors has received a request from the family of Urshel E. Miller Sr. to assist in naming a bridge in his honor; and

**WHEREAS**, Urshel E. Miller Sr., Private 1<sup>st</sup> Class, served in the United States Army from 1947-1948; and

**WHEREAS**, Urshel E. Miller Sr. lived in the County since 1963; and

**WHEREAS**, the Smyth County Board of Supervisors adopts this resolution for the Commonwealth Transportation Board to consider the approval of naming the bridge on Route 649 in Smyth County as the Urshel E. Miller Sr. Memorial Bridge; and

**WHEREAS**, per the Virginia Code Section 33.1-12(4), the costs of producing, placing, and maintaining these signs shall be paid by the counties, cities, and towns in which they are located.

**NOW, THEREFORE, BE IT RESOLVED**, that the Smyth County Board of Supervisors, does hereby request the Commonwealth Transportation Board to consider approval to name the bridge on Route 649 in Smyth County the Urshel E. Miller Sr. Memorial Bridge; and

**BE IT FURTHER RESOLVED**, the Smyth County Board of Supervisors request the appropriate signs, as directed by the Department, be placed calling attention to this designation.

Royal Oak District Supervisor G. Blake Frazier made a motion to approve the Resolution as presented.  
North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,

Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 6:48 PM Rye Valley District Supervisor Rick K. Blevins brought forward a recommendation from the Appointment Committee. It is the committee's recommendation to appoint Kendra Hayden, Administrative Assistant, 121 Bagley Circle, Suite 100, Marion, to the Marion Downtown Revitalization Committee for a one (1) year term, beginning March 1, 2017 and ending on February 28, 2018.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins and  
Royal Oak District Supervisor G. Blake Frazier

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Rye Valley District Supervisor Rick K. Blevins presented a recommendation from the Appointment Committee. It is the Committee's recommendation to re-appoint Atkins District Supervisor Charles Atkins as a member to the New River/Mt. Rogers Workforce Investment Area Consortium Board under a (1) year term beginning January 1, 2017 and ending December 31, 2017, with Royal Oak District Supervisor G. Blake Frazier serving as an alternate.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** Atkins District Supervisor Charles Atkins.

**ABSENT:** None.

Rye Valley District Supervisor Rick K. Blevins brought forward a recommendation from the Appointment Committee. It is the Committee's recommendation to appoint Lori Deel, Director of Community and Economic Development, 121 Bagley Circle, Suite 100, Marion, as the Smyth County Public Sector Representative to the Mt. Cap Board of Directors.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Saltville District Supervisor Roscoe D. Call,  
Atkins District Supervisor Charles Atkins and  
Royal Oak District Supervisor G. Blake Frazier

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Rye Valley District Supervisor Rick K. Blevins brought forward the following recommendations from the Smyth County Appointment Committee.

It is the Committee's recommendation to re-appoint William (Bill) Garrison, 17001 Mill Creek Road, Chilhowie, to the Southwest Virginia Emergency Medical Services Council, Inc., for a three (3) year term, beginning January 1, 2017 and ending December 31, 2020.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Saltville District Supervisor Roscoe D. Call,  
Atkins District Supervisor Charles Atkins and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It is the Committee's recommendation to re-appoint Scott Simpson, Assistant County Administrator, 121 Bagley Circle, Suite 100, Marlon, to the Transportation Rural Technical Committee, with David Richardson, 951 Country Club Lane, Marlon, as an alternate for a two (2) year term, beginning January 1, 2017 and ending December 31, 2019.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

North Fork District Supervisor Phil Stevenson made a motion to appoint George Bowman, 976 Horseshoe Bend, Chilhowie, Virginia to represent the North Fork District on the Area Beautification Committee for a one (1) year term beginning January 1, 2017 and ending December 31, 2017. Rye Valley District Supervisor Rick K. Blevins seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Rye Valley District Supervisor Rick K. Blevins made a motion to re-appoint Rachel Beverly, 1547 High Meadows Lane, Chilhowie, to represent the Chilhowie District on the Area Beautification Committee for a one (1) year term beginning January 1, 2017 and ending December 31, 2017. North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Rye Valley District Supervisor Rick K. Blevins made a motion to re-appoint Phyllis Griffith, 225 Red Hill Road, Marion, to represent the Rye Valley District on the Area Beautification Committee for a one (1) year term beginning January 1, 2017 and ending December 31, 2017. North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,

Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Atkins District Supervisor Charles Atkins made a motion to recommend the appointment of Glen Wheeler, 175 Klawana Road, Atkins, VA to represent the Atkins District on the Board of Zoning Appeals. Rye Valley District Supervisor Rick K. Blevins seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 6:54 PM Saltville District Supervisor Roscoe D. Call presented the following recommendations from the Building and Grounds Committee.

It is the Committee's recommendation to continue with the steps necessary to move the main entrance, the Security Guard and the metal detector at the County Administration Building.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

It is also the Committee's recommendation to install a camera both indoors and outdoors to aid in the security of the County Administration Building.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,



Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Saltville District Supervisor Roscoe D. Call and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** Atkins District Supervisor Charles Atkins **ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 7:06 PM Scott Simpson, Assistant County Administrator presented the following recommendations from the Water/Sewer Committee:

The Committee was presented the proposals received for the Adwells Sewer Project. Five companies submitted proposals for two different contracts. After discussion of the proposals received, it is the Committee's recommendation to award the following:

- Contract 1, which includes Pump Stations and Force Main, in the amount of \$ 909,064.40, to King General Contractors, located in Bristol, Virginia.
- Contract 2, which includes the Gravity Sewer Collection System, in the amount of \$ 2,848,524.00 to Mendon Pipeline, located in Ghent, West Virginia. Included in this amount is the cost of the paving overlay, item 12B, in the amount of \$209,935.00.
- Total award of both contracts is \$3,757,588.40, which will be contingent on the concurrence of Rural Development.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

North Fork District Supervisor Phil Stevenson made a motion to request the County Attorney to design an agreement between the County and the Palmers to formally identify the desire to develop the property located off Exit 39, in the Seven Mile Ford area of Smyth County. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,

Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

North Fork District Supervisor Phil Stevenson then made a motion to allow staff to advertise for an Inspector to inspect the Adwolfe Sewer project. Royal Oak District Supervisor G. Blake Frazier seconded the motion.


After consideration, the recommendation PASSED by the following vote:


**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 7:15 PM Atkins District Supervisor Charles Atkins presented an update to the Board of Supervisors from the Insurance Committee. Mr. Atkins stated the Committee had met on February 13, 2017 to discuss the contract renewal for the Anthem/Local Choice employee health insurance plan for July 1, 2017 through June 30, 2018. A formal request to accept the renewal rate, at an increase of 9.2% will be presented to the full Board at the March 14, 2017 meeting.

 2/14/2017 7:21 PM North Fork District Supervisor Phil Stevenson made a motion to schedule a Public Hearing for the Green Valley Court VDOT Revenue Sharing Project on March 14, 2017 at 6:00 P.M. Royal Oak District Supervisor G. Blake Frazier seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Royal Oak District Supervisor G. Blake Frazier made a motion to schedule a Public Hearing for the Workforce Innovation and Opportunity Act on March 14, 2017 at 6:15 P.M. Saltville District Supervisor Roscoe D. Call seconded the motion.


After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 7:23 PM Michael Carter, County Administrator informed Atkins District Supervisor Charles Atkins on the meeting times and dates for the New River/Mt. Rogers Workforce Investment Board.

 2/14/2017 7:23 PM Supervisor Comment Time:

Royal Oak District Supervisor G. Blake Frazier stated that he was excited about the projects in the works for the County.

North Fork District Supervisor Phil Stevenson thanked all the Board members and staff for all their work.

Rye Valley District Supervisor Rick K. Blevins stated that he also appreciates everything everyone does and stated how important he felt it was for everyone to continue to work together, despite the varying opinions, for the betterment of Smyth County.

Park District Supervisor M. Todd Dishner stated the he appreciates everyone and can't wait to see what's in store for Smyth County.

Saltville District Supervisor Roscoe D. Call made a motion to allow the citizens of Riverbottom Circle, to put up a picnic shelter and horseshoe pits for community use and maintenance. North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the recommendation PASSED by the following vote:


**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,

Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/14/2017 7:27 PM Royal Oak District Supervisor G. Blake Frazier made a motion to continue the meeting to February 23, 2017 at 7:00 P.M. North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the recommendation PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Rye Valley District Supervisor Rick K. Blevins,  
Atkins District Supervisor Charles Atkins,  
Royal Oak District Supervisor G. Blake Frazier,  
Saltville District Supervisor Roscoe D. Call and  
North Fork District Supervisor Phil Stevenson.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

The Smyth County Board of Supervisors held its continued meeting at 7:00 p.m., **Thursday, February 23, 2017**. The location of the meeting was in the First-Floor Board Room of the County Office Building, 121 Bagley Circle, Suite 100, Marion, Virginia.

**PRESENT:** Chairman, Chilhowie District Supervisor Wade H. Blevins Jr., Vice Chair, Park District Supervisor M. Todd Dishner; Saltville District Supervisor Roscoe D Call; Rye Valley District Supervisor Rick K Blevins; Atkins District Supervisor Charles Atkins; Royal Oak District Supervisor G. Blake Frazier; North Fork District Supervisor Phil Stevenson (7)

Chairman, North Fork District Planning Commissioner Norman Sparks; Chilhowie District Planning Commissioner Graham Davidson Jr.; Rye Valley District Planning Commissioner Paul D. Shepherd; Park District Planning Commissioner Joel Pugh; Atkins District Planning Commissioner Hazel Wagoner, Royal Oak District Planning Commissioner Robbie Doyle (7)

**ABSENT:** None.

**STAFF:** County Administrator Michael Carter; Assistant County Administrator Scott Simpson; Building & Zoning Administrator Clegg Williams; Administrative Assistant Kendra Hayden; Administrative Assistant Becca Creasy; County Attorney Travis Lee (6)

At 7:00 p.m. Chairman of the Board of Supervisors, Wade H. Blevins Jr., and Mr. Norman Sparks, Chairman of the Planning Commission, called the joint public hearing to order. Mr. Michael Carter, County Administrator read the advertisement as placed in the Smyth County News and Messenger; as well as; the rules of procedure during public hearings.

#### **BEFORE THE SMYTH COUNTY BOARD OF SUPERVISORS AND**

#### **SMYTH COUNTY PLANNING COMMISSION**

The Smyth County Board of Supervisors and the Smyth County Planning Commission will conduct a joint public hearing on Thursday, February 23, 2017, at 7:00 P.M. or as soon after 7:00 P.M. as an application may be heard, in the Smyth County Office Building, 121 Bagley Circle, Marion, Virginia, to consider the following application(s) to the Zoning Ordinance of Smyth County, Virginia:

*An application from John R. Doyle which has been forwarded to the Board of Supervisors of Smyth County, Virginia, requesting an amendment to the official Zoning Map at Marion, Virginia, to rezone approximately 8 acres from Agricultural/Rural to Residential. The Smyth County Comprehensive Plan does not identify a density range and the general usage of this property has most recently been farmland. The property is located beside*

*287 Fox Valley Road in Marion, Virginia, and is identified as the western portion of Tax Map No. 55-A-16 and can be found within Grid No. 99 of the State Plane Grid Index.*

At this public hearing, subject to the rules of procedure of the Board of Supervisors and Planning Commission of Smyth County, Virginia, any person may appear and state his/her views thereon.

Copies of the application(s) along with their maps/drawings are on file in the Office of the County Administrator of Smyth County. Copies are also maintained by the County Zoning Administrator at the address given above, and may be viewed during regular business hours Monday through Friday.

In compliance with the Americans with Disabilities Act, persons requiring special assistance to attend, and participate in this hearing should contact Clegg Williams, ADA Coordinator, at (276) 706-8315 at least 48 hours prior to the hearing.

Done by order of the Board of Supervisors and the Planning Commission.

Michael L. Carter, County Administrator

Norman K. Sparks, Chairman of the Planning Commission

Clegg Williams, Building and Zoning Administrator explained Mr. Doyle's intention to see a map amendment to rezone approximately 8 acres of land from Agricultural/Rural to Residential for a future subdivision. The property is identified as a portion of Tax Map No. 55-A-16. Mr. Williams made reference to the applicable State and County code sections, and pointed out its designation as Rural Residential in the County's 2013 Comprehensive Plan's future land use section. Mr. Doyle has submitted all paperwork necessary and a first-class mailing was sent to each of the applicant's adjoining property owners. Mr. Williams stated the office had not received any phone calls or written correspondence regarding the application.


John "Robbie" Doyle was present to address any questions, and stated he proposes to subdivide the property into approximately 14 buildable lots. Discussion was made regarding access to public water and the ability to provide adequate public sewer. Scott Simpson, Assistant County Administrator assured the Board and Planning Commission that calculations had been made and the current system is adequate for Mr. Doyle's proposal.

No one else spoke on the application.

Board of Supervisors Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. and Planning District Commission Chairman Norman Sparks closed the joint public hearing.

 2/23/2017 7:21 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. called the Board of Supervisors meeting to order.

 2/23/2017 7:21 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. opened Citizen's time. With no one wishing to speak, Chairman Chilhowie District Supervisor Wade H. Blevins Jr. closed Citizen's time.

 2/23/2017 7:22 PM Michael Carter, County Administrator brought forward the following recommendations from the Budget Committee. It is the Committee's recommendation to approve the budget transfer requests from the Sheriff's Department as shown below.

Transfer \$7,000.00 from line item 001-021070-1003 (Part time Salaries&Wages), and \$679.00 from line item 001-021070 3301 (Litter Control), for a total \$7,679.00 to line item 001-021070-3005 (Service Contracts-Maintenance).

Transfer \$170.00 from line item 001-021070-3007 (Advertising), and ~~\$80.00~~ from line item 001-021070-8888-81 (Meth Lab Cleanup Costs) for a total of ~~\$250.00~~, to line item 001-021070-5103 (Water and Sewer Services).

Transfer \$4,250.00 from line item 001-021070-5406 (Fuel), to line item 001-021070-5203 (Telecommunications).

Transfer \$4,750.00 from line item 001-021070-5406 (Fuel), \$121.00 from line item 001-021070-3301 (Litter Control), \$1,080 from line item 001-021070-5101 (Electrical Service), and \$170.00 from line item 001-021070-8888-81 (Meth Lab Cleanup Costs) for a total \$6,121.00, to line item 001-021070-5408 (Vehicle&Powered Equipment).

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Michael Carter, County Administrator brought forward a recommendation from the Budget Committee. It is the Committee's recommendation to approve the budget transfer request from the Sheriff's Department as shown below.

From:

\*Fund 001-021070-1001 (Salaries and Wages) \$7,218.53

To:

\*Fund 001-021070-5408 (Vehicle&Powered Equipment Supply) \$7,218.53


After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/23/2017 7:29 PM Atkins District Supervisor Charles Atkins made a motion to appropriate \$170,201.87 from Sheriff's Fund 744 for the purchase of 5 new vehicles, and to allow Michael Carter, County Administrator to sign checks as needed for this transaction. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/23/2017 7:31 PM Chairman of the Board of Supervisors Wade H. Blevins Jr., called the public hearing to order. Mr. Michael Carter, County Administrator read the advertisement as placed in the Smyth County News and Messenger.

#### NOTICE OF PUBLIC HEARING – Vacation of Public Right-of-Way

Pursuant to §15.2-2006 of the Code of Virginia, the Smyth County Board of Supervisors will hold a Public Hearing on Thursday, February 23, 2017 at 7:30 p.m. in the Board of Supervisors meeting room at 121 Bagley Circle, Suite 100, Marion, VA to consider the request of IJ Investments LLC to vacate the public alley right-of-way adjacent to Flat Ridge Road, Sugar Grove, VA; abutting Tax Parcels 76F-6-1,2,3,4,5,6,7; being approximately 20' in width and 242' in length; and referenced in a plat entitled 'R.A. Ashlin



Subdivision' dated October 5, 1923 of record in the Smyth County Circuit Court Clerk's Office in Plat Book 1, Page 8.

All persons having interest in the proposed vacation are invited to appear and provide information and comment subject to the rules and procedures of the Board of Supervisors.

Persons requiring assistance or accommodation under the American with Disabilities Act to attend should contact Clegg Williams, ADA Coordinator, at 276-706-8315 at least 48 hours prior to the hearing.

The Board of Supervisors will determine at the Public Hearing whether good cause exists for the vacation and whether the public interest of any person will be materially injured by the proposed vacation.

If the Board of Supervisors determines that a vacation of the public alley right-of-way is appropriate, an ordinance may be adopted granting the vacation of the public alley right-of-way at the public hearing or subsequent meeting.

Done by order of the Board of Supervisors.  
Michael L. Carter, County Administrator

Atkins District Supervisor Charles Atkins made a motion to waive the reading of rules relating to Public Hearings. Saltville District Supervisor Roscoe D. Call seconded the motion.

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

Clegg Williams, Building and Zoning Administrator explained the need for the vacation of the alley right-of-way and stated that it will aid in construction of the new Dollar General Store that is proposed to be built in the Sugar Grove area of Smyth County.

 2/23/2017 7:34 PM Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. closed the Public Hearing.

 2/23/2017 7:35 PM David Rose with Davenport & Company presented a Financial Overview for Smyth County and the ability to refinance the Courthouse debt. Discussion continued on this item, with several members asking questions throughout the presentation.

North Fork District Supervisor Phil Stevenson made a motion to allow staff to continue to work with Davenport and Company on the refinancing of the Courthouse debt, and to pursue for the savings to be reflected in the current FY16-17 budget. Royal Oak District Supervisor G. Blake Frazier seconded the motion.


After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/23/2017 8:09 PM A motion was made by Rye Valley District Supervisor Rick K. Blevins to enter into closed session under the Code of Virginia, Section 2.2-3711- A.5; Industrial/Business Prospects; discussion concerning a business or industry considering expansion with no previous announcement being made, and A.7 Legal; discussion with legal counsel and staff pertaining to actual or probable litigation. North Fork District Supervisor Phil Stevenson seconded the motion.

After consideration, the motion PASSED by the following vote:

After consideration, the motion PASSED by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

 2/23/2017 8:37 PM It was moved by Rye Valley District Supervisor Rick K. Blevins, seconded by North Fork District Supervisor Phil Stevenson, to adopt the following resolution certifying the business conducted in closed session as follows:

#### RESOLUTION

**CERTIFICATION OF CLOSED SESSION**

**WHEREAS**, the Smyth County Board of Supervisors has convened in a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Smyth County Board of Supervisors that such a meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Smyth County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Smyth County Board of Supervisors.

 2/23/2017 8:37 PM Supervisor Comment Time:

Saltville District Supervisor Roscoe D. Call thanks everyone and stated that he appreciates all the work that has been completed with the Library.

North Fork District Supervisor Phil Stevenson stated that he would like to thank all those that have worked on the Adwolfe Sewer Project. Mr. Stevenson also stated he appreciates all of the financial information that is presented each month by Michael Carter, County Administrator.

Chairman, Chilhowie District Supervisor Wade H. Blevins Jr. stated that he agrees with Mr. Stevenson and appreciates everyone.

 2/23/2017 8:42 PM North Fork District Supervisor Phil Stevenson made a motion to adjourn the meeting. Royal Oak District Supervisor Phil Stevenson seconded the motion.

After consideration, the motion **PASSED** by the following vote:

**AYES:** Chairman, Chilhowie District Supervisor Wade H. Blevins, Jr.,  
Vice Chair, Park District Supervisor M. Todd Dishner,  
Saltville District Supervisor Roscoe D. Call,  
Rye Valley District Supervisor Rick K. Blevins,  
North Fork District Supervisor Phil Stevenson,  
Atkins District Supervisor Charles Atkins, and  
Royal Oak District Supervisor G. Blake Frazier.

**NAYS:** None.

**ABSTAINERS:** None.

**ABSENT:** None.

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF  
SMYTH COUNTY, VIRGINIA AUTHORIZING THE  
ISSUANCE AND SALE OF GENERAL OBLIGATION  
REFUNDING BONDS**

A. On December 6, 2011, Smyth County, Virginia (the "**County**") issued its \$26,985,000 General Obligation Public Improvement Bonds, Series 2011A (the "**Prior Bonds**") to finance the costs of a new courthouse, a public parking garage, an emergency communication system and the relocation of the E-911 center.

B. The Board of Supervisors of Smyth County, Virginia (the "**Board**") has determined that it is advisable to authorize the issuance of general obligation refunding bonds (the "**Bonds**") to refund all or a portion of the Prior Bonds (the "**Project**").

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

1. **Issuance of Bonds.** The Board hereby determines that it is advisable and will benefit the inhabitants of the County through the promotion of their safety, health, welfare and prosperity to contract a debt and to issue and sell the Bonds on a tax-exempt or taxable basis in the maximum aggregate principal amount of \$21,000,000 in one or more series at one time or from time to time as may be requested by the County Administrator (the "**Authorized Representatives**"). The proceeds from the issuance and sale of the Bonds shall be used (i) to refund the Refunded Bonds, as hereinafter defined, and (ii) to pay all or portion of the costs of issuing the Bonds.

2. **Pledge of Full Faith and Credit.** The full faith and credit of the County are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board is hereby authorized to and shall levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, an ad valorem tax upon all taxable property within the County, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of, premium, if any, and interest on the Bonds to the extent other funds of the County are not lawfully available and appropriated for such purpose.

3. **Details and Sale of the Bonds.** The Authorized Representative is hereby authorized and directed to determine and approve the final details of each series of Bonds, including, without limitation, the aggregate principal amount of the Bonds, the tax status of the Bonds, the optional and mandatory redemption provisions and the sale price of the Bonds, provided that (i) the aggregate principal amount of the Bonds shall not exceed the amount set forth in paragraph 1, (ii) the maximum true interest cost shall not exceed 4.0% and (iii) the final maturity of the Bonds shall not be later than the final fiscal year in which any Refunded Bond matures. The approval of the Authorized Representative shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds. The approval of the Authorized Representatives shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds.

The Bonds shall be issued, in one or more series, upon the terms established pursuant to this Resolution and upon such other terms as may be determined in the manner set forth in this Resolution. The Bonds shall be issued in fully registered form, shall be dated such date as the Authorized Representatives may approve, shall be in the denominations of \$5,000 each or whole multiples thereof, may be issued at one time or from time to time in one or more series (with appropriate series designations), and the Bonds of any series shall be numbered from R-1 upwards consecutively.

The Authorized Representative is hereby authorized and directed to determine the manner of sale of each series of Bonds, and each such series of Bonds shall be offered for sale in such manner as the Authorized Representative determines to be in the best interest of the County. If the manner of sale is competitive, the Board hereby authorizes and directs the Authorized Representative to accept a bid or proposal for the purchase of the Bonds provided such bid results in the lowest true interest cost to the County. The Authorized Representative is hereby authorized to reject any or all of the bids. If manner of sale is negotiated, the Board hereby authorizes and directs the Authorized Representative to execute and deliver a bond purchase agreement with an underwriter or group of underwriters selected by the Authorized Representative providing for the sale and delivery of the Bonds.

4. **Redemption of Bonds.** The Bonds may be subject to optional redemption, make-whole, or noncallable on such terms as the Authorized Representative may approve. The Bonds may also be subject to mandatory sinking fund redemption on such terms as the Authorized Representative may approve.

5. **Form of Bonds.** The Bonds shall be in substantially the form attached to this Resolution as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or subsequent resolution of the Board. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

6. **Book-Entry-Only Form.** (a) The Bonds shall be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. One fully registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

(b) Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "**Participants**"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The County shall notify DTC of any notice required to be given pursuant to this Resolution or the Bonds not less than 15 calendar days prior to the date upon which such notice is required to be given. The County shall also comply with the agreements set forth in the County's Letter of Representations to DTC.

(c) Replacement Bonds (the "**Replacement Bonds**") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

(i) DTC determines not to continue to act as securities depository for the Bonds;

(ii) the County has advised DTC of its determination not to use DTC as a securities depository; or

(iii) the County has determined that it is in the best interest of the beneficial owners of the Bonds or the County not to continue the book-entry system of transfer.

Upon occurrence of the events described in (i) or (ii) above, the County shall attempt to locate another qualified securities depository. If the County fails to locate another qualified securities depository to replace DTC, the appropriate officers and agents of the County shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A. In the event the Board, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the County shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to any Participants requesting such Replacement Bonds. Principal of, premium, if any, and interest on the Replacement Bonds shall be payable as provided in this Resolution and in the Bonds and such Replacement Bonds will be transferable in accordance with the provisions of this Resolution and the Bonds.

7. **Appointment of Bond Registrar and Paying Agent.** (a) The County Administrator and such officer or agent the County Administrator designates is hereby authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds.

(b) The County Administrator and such officer or agent the County Administrator designates may appoint a subsequent bond registrar and/or one or more paying agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such bond registrar or paying agent.

8. **Execution of Bonds.** The County Administrator is hereby authorized and directed to execute on behalf of the County the Bonds. The Clerk of the Board of Supervisors is hereby authorized and directed to affix or to cause to be affixed the seal of the County to the Bonds and to attest such seal. The County Administrator is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof upon payment of the applicable purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the County Administrator and the Clerk of the Board of Supervisors are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

9. **CUSIP Numbers.** The Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the County, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the County and any

officer or agent of the County, by reason of any inaccuracy, error or omission with respect to such numbers.

10. **Registration, Transfer and Exchange.** (a) Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the County shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the County and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the County and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond shall be registered to bearer.

(b) New Bonds delivered upon any transfer or exchange shall be valid obligations of the County, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

11. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Bonds, but the County may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

12. **Tax Covenants.** The Authorized Representative is hereby authorized and directed to execute and deliver simultaneously with the issuance of any series of Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes a tax certificate or agreement, or both (collectively, the "**Tax Agreement**") setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The proceeds from the issuance and sale of any such series of the Bonds will be invested and expended as set forth in the Tax Agreement and that the County will comply with the other covenants and representations contained in it.

13. **Refunding and Escrow Agreement.** (a) The Authorized Representative is hereby authorized and directed to select the Prior Bonds to be refunded (the "**Refunded Bonds**") and to cause the refunding of the Refunded Bonds pursuant to the terms of the Prior Bonds.

(b) The Authorized Representative is hereby authorized to cause to be prepared and directed to execute and deliver one or more escrow agreements, between the County and an escrow agent to be selected by the Authorized Representative, providing for the deposit and investment of a portion of the proceeds of the Refunding Bonds to be applied to the redemption or payment of the Refunded Bonds on the earliest practicable date.

14. **Disclosure Documents.** The Authorized Representative and such other officers and agents the Authorized Representative may designate are hereby authorized and directed to prepare, execute, if required, and deliver one or more appropriate notices of sale, preliminary official statements, official statements and such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds, including such documentation as may be necessary to provide for the submission of electronic bids for the Bonds if electronic bidding is determined by such officer or officers to be advantageous. Any such notice of sale, preliminary official statement, official statement or other documents shall be published in such publications and distributed in such manner, including by electronic distribution, and at such times as the Authorized Representatives shall determine. The Authorized Representative and such other officer or agent the Authorized Representative may designate, are hereby authorized to deem the Preliminary Official Statement "final" for purposes of Securities Exchange Commission Rule 15c2-12.

15. **Continuing Disclosure.** The Authorized Representative is hereby authorized and directed to enter into a continuing disclosure agreement for the benefit of the owners of the Bonds to assist the underwriter for the Bonds in complying with the provisions of Section (b)(5) of Securities and Exchange Commission Rule 15c2-12.

16. **Further Actions.** (a) The Authorized Representative and such other officers and agents the Authorized Representative may designate are hereby authorized and directed to take further action as each deems necessary or appropriate regarding the issuance, credit enhancement and sale of the Bonds and the refunding of the Refunded Bonds, including, without limitation, (i) purchasing of one or more credit enhancements for any series of Bonds if market or other conditions so warrant, (ii) entering into supply arrangements relating to the investment of the proceeds of any series of Bonds, (iii) applying for CUSIP identification numbers and the execution and delivery of replacement bonds in connection with any partial refunding of Prior Bonds and (iv) selecting a verification agent and escrow agent in connection with any series of Bonds.

(b) The Authorized Representative and such other officers and agents the Authorized Representative may designate are also authorized and directed to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts and to take such further action, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds.

(c) All actions taken by officers and agents of the County in connection with the issuance and sale of the Bonds are hereby ratified and confirmed. The officers and agents of the County are hereby authorized and directed to take such further actions as each deems necessary regarding the issuance and sale of any series of Bonds and all actions taken by such officers and agents in connection with the issuance and sale of any series of Bonds are hereby ratified and confirmed.

17. **SNAP Investment Authorization.** The County has heretofore received and reviewed the Information Statement describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "SNAP Contract"), and the County has determined to authorize the Authorized Representatives to utilize SNAP in connection with the investment of the proceeds of the Bonds, if the Authorized Representatives determine that the utilization of SNAP is in the best interest of



the County. The County acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the SNAP Contract.

18. **Exercise of Discretion and Authorizations.** Any authorization of an officer of the County under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the County, unless expressly provided otherwise. The authorizations granted in this Resolution to the County Administrator or the Clerk of the Board of Supervisors, or any combination of the foregoing, may be carried out by any Acting, Assistant, Deputy or Interim County Administrator (with respect to authorizations granted to the County Administrator), and any Deputy or Assistant Clerk (with respect to authorizations granted to the Clerk of the Board of Supervisors), in the unavailability of the primary officer.

19. **Filing of Resolution.** The County Attorney, or such party as the County Attorney designates, is hereby authorized and directed to file or cause to be filed a certified copy of this Resolution with the Circuit Court of Smyth County pursuant to Sections 15.2-2607 and 15.2-2641 of the Code of Virginia of 1950, as amended.

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

[Remainder of page intentionally left blank]

SMYTH COUNTY, VIRGINIA  
BOARD OF SUPERVISORS

Date: March 14, 2017

At a meeting of the Board of Supervisors of Smyth County, Virginia, held on March 14, 2017 the following persons were present or absent as shown:

PRESENT:

ABSENT:

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the following Resolution was adopted by a majority of the members of the Board of Supervisors present by a roll call vote, the votes being recorded as follows:

MEMBER

VOTE

**EXHIBIT A**

**Form of Bond**

**REGISTERED**

**No. R-**

**\$** \_\_\_\_\_

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA**

**SMYTH COUNTY, VIRGINIA**

**GENERAL OBLIGATION REFUNDING BOND  
SERIES 2017**

**MATURITY DATE**

**DATED DATE**

**INTEREST RATE**

**CUSIP BASE: [\_\_\_\_\_]**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:**

SMYTH COUNTY, VIRGINIA (the "County"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on \_\_\_\_\_ and \_\_\_\_\_ beginning on \_\_\_\_\_, 20\_\_\_. This Bond shall bear interest (a) from [the Dated Date / \_\_\_\_\_, 20\_\_], if this Bond is authenticated before \_\_\_\_\_, 20\_\_ or (b) otherwise from the \_\_\_\_\_ or \_\_\_\_\_ that is, or immediately precedes the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of the [\_\_\_\_\_], as Bond Registrar and Paying Agent ("Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond; provided that as long as Cede & Co. is the registered owner of this Bond, interest shall be paid by wire transfer. All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the [first day of the month in which each interest payment date occurs] [fifteenth day of the month preceding each interest payment date].

This Bond has been duly authorized by the Board of Supervisors of the County and is issued for the purpose of: (i) refunding certain of the County's outstanding bonds and (ii) paying the costs of issuance of the Bonds. The full faith and credit of the County are irrevocably pledged

for the payment of the principal of, premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$ \_\_\_\_\_ General Obligation Refunding Bonds, Series 20\_\_ of the County, ("Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and a resolution adopted by the Board of Supervisors on March 14, 2017 (the "Resolution").

The Bonds maturing on or before \_\_\_\_\_, 20\_\_, are not subject to redemption before maturity. Bonds maturing on or after \_\_\_\_\_, 20\_\_, are subject to optional redemption before maturity on or after \_\_\_\_\_, 20\_\_, at the direction of the County, in whole or part in installments of \$5,000 at any time, in such order as may be determined by the Director of Financial and Management Services (except that if at any time less than all of the Bonds of any maturity are called for redemption, the particular Bonds of such maturity or portions thereof to be redeemed shall be selected by lot) upon payment of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.

[Sinking Fund Provisions, If Applicable]

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail, electronic transmission, or overnight delivery service not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Resolution and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

Any notice of optional redemption of the Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the County, the corresponding notice of redemption shall be deemed to be revoked.

If the County gives an unconditional notice of redemption, then on the redemption date the Bonds called for redemption will become due and payable. If the County gives a conditional notice of redemption, and the amount of money to pay the redemption price of the affected Bonds shall have been set aside with an escrow agent or a depository (either, a "depository") for the purpose

of paying such Bonds, then on the redemption date the Bonds will become due and payable. In either case, if on the redemption date the County holds money to pay the Bonds called for redemption, thereafter no interest will accrue on those Bonds, and a Bond owner's only right will be to receive payment of the redemption price upon surrender of those Bonds.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation and surrender hereof and the County shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The County may designate a successor Bond Registrar and/or paying agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the paying agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the first day of the month in which each interest payment date occurs.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Board of Supervisors of Smyth County, Virginia, has caused this Bond to be signed by the [original/facsimile] signature of the County Administrator, a[n] [original/facsimile] of its seal to be affixed and attested by the [original/facsimile] signature of its Clerk and this Bond to be dated as of its dated date set forth above.

**SMYTH COUNTY, VIRGINIA**

By:

\_\_\_\_\_  
County Administrator  
Smyth County, Virginia

[SEAL]

ATTEST:

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF ASSIGNEE: \_\_\_\_\_

the within Bond and does hereby irrevocably constitute and appoint

\_\_\_\_\_, attorney, to transfer said  
Bond on the books kept for registration of said Bond, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
(NOTICE: Signature(s) must be guaranteed  
by an Eligible Guarantor Institution such as a  
Commercial Bank, Trust Company,  
Securities Broker/Dealer, Credit Union or  
Savings Association which is a member of a  
medallion program approved by the  
Securities Association, Inc.)

Registered Owner

(NOTICE: The signature above must  
correspond with the name of the Registered  
Owner as it appears on the books kept for  
registration of this Bond in every particular,  
without alteration or change.

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of Smyth County, Virginia described in the within-mentioned Resolution.

Authentication Date:

By:

\_\_\_\_\_  
[Name of Registrar]



The undersigned Clerk of the Board of Supervisors of Smyth County, Virginia certifies that the foregoing constitutes a true, complete and correct copy of the Resolution adopted at a meeting of the Board of Supervisors of Smyth County, Virginia held on March 14, 2017.

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Clerk, Board of Supervisors of Smyth  
County, Virginia

PRELIMINARY OFFICIAL STATEMENT DATED APRIL \_\_, 2017

**NEW ISSUE**

Bonds Ratings (Underlying / State Aid Intercept): Moody's

Book-Entry Only

(See "Ratings" herein)

S&P  
Fitch

**SMYTH COUNTY, VIRGINIA**

\$ \_\_\_\_\_ \*

**General Obligation Refunding Bonds,  
Series 2017**

**Dated: Date of Delivery**

**Due: As shown on the inside cover**

Smyth County, Virginia (the "County"), prepared this Official Statement to provide information on the above-referenced bonds (the "Bonds"). This cover page presents a summary of selected information for your convenience and does not provide a complete description of the Bonds. To make an informed decision regarding the Bonds, this Official Statement should be read in its entirety.

**Tax Matters**

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants by and the accuracy of certain representations and certifications of the County and other persons and entities described in the section herein "TAX MATTERS" interest on the Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Bonds must be included in the adjusted current earnings of certain corporations for purposes of computing the federal alternative minimum tax imposed on such corporations and may be subject to other federal income tax consequences as described in "TAX MATTERS." Bond Counsel is further of the opinion that interest on the Bonds is excludable from gross income for purposes of income taxation by the Commonwealth of Virginia. See the sections herein "TAX MATTERS" regarding other tax considerations.

**Security**

The Bonds are general obligations of the County. See the section herein "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

**Redemption**

See inside front pages and see the section "DESCRIPTION OF THE BONDS-Redemption Provisions," for a description of the redemption provisions for the Bonds.

**Authorization**

Resolution adopted by the Board of Supervisors of the County on March 14, 2017.

**Purpose**

The proceeds of the Bonds, together with other available funds, will be used to (i) refund certain outstanding general obligation bonds and (ii) pay the costs of issuance of the Bonds. See the section herein "PART I - APPLICATION OF PROCEEDS OF THE BONDS."

**Interest Payment Dates**

Interest on the Bonds will be payable semi-annually on May 1 and November 1, commencing November 1, 2017.

**Record Date**

April 15 for the November 1 payment date and October 15 for the November 1 payment date.

**Registration**

Book-Entry Only; The Depository Trust Company.

**Denomination**

\$5,000 or multiples thereof.

**Closing/Delivery Date**

On or about \_\_\_\_\_, 2017.\*

**Bond Counsel**

McGuireWoods LLP, Richmond, Virginia.

**Financial Advisor**

Davenport & Company LLC, Richmond, Virginia.

**Registrar/Paying Agent**

\_\_\_\_\_.

**Issuer Contact**

County Administrator. (276) 783-3298.

**The Bonds will be awarded pursuant to electronic competitive bidding to be held via  
BiDCOMP/PARITY® on \_\_\_\_\_, 2017,\* unless postponed, as set forth in the Notice of Sale.**

**See APPENDIX E - NOTICE OF SALE.**

Dated: \_\_\_\_\_, 2017

Preliminary, subject to change.

**SMYTH COUNTY, VIRGINIA**  
**\$ \_\_\_\_\_\***  
**General Obligation Refunding Bonds, Series 2017**

**(Base CUSIP Number 832866)<sup>†</sup>**

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES AND YIELDS**

<b>Year Of Maturity <u>(November 1)*</u></b>	<b>Principal <u>Amount*</u></b>	<b>Interest <u>Rate</u></b>	<b><u>Price</u></b>	<b><u>Yield</u></b>	<b>CUSIP<sup>†</sup> <u>Suffix</u></b>
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**OPTIONAL REDEMPTION**

The Bonds maturing on or before November 1, 2027,\* are not subject to optional redemption prior to maturity. The Bonds maturing on or after November 1, 2028,\* are subject to redemption prior to their respective maturities on or after November 1, 2027,\* at the option of the County, in whole or in part (in increments of \$5,000) at any time, at a redemption price equal to 100% of the principal amount of such Bonds to be redeemed, plus the unpaid interest accrued thereon to the date fixed for redemption.

**MANDATORY SINKING FUND REDEMPTION**

As permitted in the Notice of Sale, consecutive annual principal amounts of the Bonds may be combined into one or more term bonds. In the event that the successful bidder specifies a term bond or term bonds, the mandatory sinking fund redemption provisions will be included in the final Official Statement. See APPENDIX E - NOTICE OF SALE.

\* Preliminary, subject to change.

† See the last paragraph on page (i) regarding the use of CUSIP numbers in this Official Statement.

## **SMYTH COUNTY, VIRGINIA**

### **BOARD OF SUPERVISORS**

Wade M. Blevins Jr., Chairman  
M. Todd Dishner, Vice Chairman

Charles E. Atkins  
Richard K. Blevins  
Roscoe D. Call

G. Blake Frazier  
Charles P. Stevenson

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### **COUNTY OFFICIALS**

Michael L. Carter, County Administrator  
Scott Simpson, Assistant County Administrator

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### **BOND COUNSEL**

McGuireWoods LLP  
Richmond, Virginia

### **FINANCIAL ADVISOR**

Davenport & Company LLC  
Richmond, Virginia

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**The Bonds are exempt from registration under the Securities Act of 1933, as amended. The Bonds are also exempt from registration under the securities laws of the Commonwealth of Virginia.**

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Bonds. The information and expressions of opinion in this Official Statement are subject change without notice, and neither the delivery of this Official Statement nor any sale made under it will, under any circumstances, create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein.

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The underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (i) over-allot in arranging the sales of the Bonds and (ii) make purchases and sales of the Bonds, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriter may determine. Such stabilization, if commenced, may be discontinued at any time.

All quotations from, and summaries and explanations of, provisions of law and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the County's financial results could cause actual results to differ materially from those stated in the forward-looking statements.

A registered trademark of the American Bankers Association ("ABA"), used by S&P Global Ratings in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

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# **OFFICIAL STATEMENT**

## **Relating to the Issuance of**

### **SMYTH COUNTY, VIRGINIA**

**\$ \_\_\_\_\_ \***

### **General Obligation Refunding Bonds, Series 2017**

#### **PART I THE BONDS**

The purpose of this Official Statement, including the financial information contained in Appendix A attached hereto, is to furnish information in connection with the sale by Smyth County, Virginia (the "County"), of its \$ \_\_\_\_\_ \* General Obligation Refunding Bonds, Series 2017 (the "Bonds").

The Bonds will be general obligations of the County to the payment of which the full faith and credit of the County are pledged. This Official Statement has been authorized by the County for use in connection with the sale of the Bonds.

The County has undertaken in the Bond Resolution, as hereinafter defined, to comply with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") and as in effect on the date hereof, by providing annual financial information and notice of the events listed in by the Rule. See Appendix C "FORM OF CONTINUING DISCLOSURE AGREEMENT."

All financial and other information presented in this Official Statement has been provided by the County from its records except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

This Official Statement should be considered in its entirety, and no one subject discussed should be considered less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents.

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\* Preliminary, subject to change.



## DESCRIPTION OF THE BONDS

### General

The Bonds shall be dated the date of delivery and shall be payable in annual installments, subject to prior redemption, in the principal amounts and at the rates set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable semi-annually on May 1 and November 1, commencing November 1, 2017. Interest on the Bonds is calculated on the basis of a 360 day year comprised of 12 months of 30 days each. The record date for the Bonds is April 15 for the May 1 payment date and October 15 for the November 1 payment date.

### Redemption Provisions

*Optional Redemption of the Bonds.* The Bonds maturing on or before November 1, 2027,\* are not subject to optional redemption prior to maturity. The Bonds maturing on or after November 1, 2028,\* are subject to redemption prior to their respective maturities on or after November 1, 2027,\* at the option of the County, in whole or in part (in increments of \$5,000) at any time, at a redemption price equal to 100% of the principal amount of such Bonds to be redeemed, plus the unpaid interest accrued thereon to the date fixed for redemption.

*Mandatory Sinking Fund Redemption of the Bonds.* As permitted in the Notice of Sale, consecutive annual principal amounts of the Bonds may be combined into one or more term bonds. In the event that the successful bidder specifies a term bond or term bonds, the mandatory sinking fund redemption provisions will be included in the final Official Statement. See Appendix E "NOTICE OF SALE."

*Manner of Redemption.* If less than all of the Bonds are called for redemption, the maturities of such Bonds to be redeemed shall be selected by the County Administrator of the County in such manner as the County Administrator may determine. So long as a book-entry system is used for determining beneficial ownership of the Bonds, if less than all of the Bonds within a maturity are to be redeemed, The Depository Trust Company ("DTC") and its participants shall determine which of such Bonds within a maturity are to be redeemed.

*Notice of Redemption.* Any notice of optional redemption of any of the Bonds may state that it is conditioned upon there being available on the date fixed for redemption an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to such date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the County, the corresponding notice of redemption shall be deemed to be revoked. The County may rescind any redemption of the Bonds and notice thereof on any date prior to the Scheduled Redemption Date by causing written notice of such rescission to be given to the Owners of such Bonds so called for redemption. Notice of the rescission of any such redemption of the Bonds shall be given in the same manner in which notice of redemption of such Bonds was originally given. The actual receipt by the Beneficial Owner (as defined in Appendix D) of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Notice of redemption shall be given by certified or registered mail to DTC or its nominee as the registered owner of the applicable Bonds. Such notice shall be mailed not more than 60 days nor less than

\* Preliminary, subject to change.

30 days before the date fixed for redemption. The County will not be responsible for mailing notices of redemption to the Beneficial Owners of the applicable Bonds.

## **AUTHORIZATION AND PURPOSES OF THE BONDS**

The Bonds have been authorized and are being issued pursuant to the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended (the "Virginia Code"), as authorized by a resolution adopted by the Board of Supervisors of the County (the "Board of Supervisors") on March 14, 2017 (the "Bond Resolution").

The proceeds of the Bonds, together with other available funds, will be used to (i) refund certain outstanding general obligation bond of the County and (ii) pay the costs of issuance of the Bonds as set forth in the sections "PLAN OF REFUNDING" and "APPLICATION OF PROCEEDS OF THE BONDS."

## **PLAN OF REFUNDING**

### **Refunding\***

The County expects to use a portion of the proceeds of the Bonds, together with other available funds, to refund, redeem and defease all or portions of its general obligation bonds (the "Refunded Obligations") depending upon whether the County can achieve its refunding goals on the sale date. The table below sets forth the anticipated Refunded Obligations, which are subject to change based on market conditions.

### **General Obligation Public Improvement Bonds, Series 2011A (Base CUSIP Number 832866)†**

<b>Year of Maturity (November 1)*</b>	<b>Refunded Principal Amount*</b>	<b>Interest Rate</b>	<b>Redemption Date</b>	<b>Redemption Price</b>	<b>CUSIP Suffix†</b>
2022	\$125,000	4.000	11/01/2021	100%	AP2
2022	500,000	5.000	11/01/2021	100	AQ0
2022	710,000	3.000	11/01/2021	100	AN7
2023	1,390,000	4.000	11/01/2021	100	AR8
2024	1,455,000	5.000	11/01/2021	100	AS6
2025	1,530,000	5.000	11/01/2021	100	AT4
2026	315,000	4.000	11/01/2021	100	AU1
2031	8,145,000	5.000	11/01/2021	100	AW7
2031	2,380,000	4.000	11/01/2021	100	AV9

### **Escrow Agreement and Defeasance**

A portion of the proceeds of the Bonds in the aggregate amount of \$ \_\_\_\_\_, together with other available funds, will be deposited with \_\_\_\_\_ (the "Escrow Agent"), pursuant to an Escrow Agreement to be dated the date of delivery of the Bonds, between the County and Escrow Agent (the "Escrow Agreement"). The Escrow Agreement will provide for the purchase of non-callable, full, faith and credit obligations of the Treasury (the "Escrow Securities") that will mature and bear interest at times and in amounts sufficient to pay the principal of, premium and interest on the Refunded Obligations. The sufficiency of the Escrow Securities deposited with the Escrow Agent was verified by \_\_\_\_\_. See the section herein "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

\* Preliminary, subject to change.

† See the last paragraph on page (v) regarding the use of CUSIP numbers in this Official Statement.

## APPLICATION OF PROCEEDS OF THE BONDS

The following tables set forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Sources of Proceeds:	
Par Amount of Bonds	\$
[Net] Original Issue [Premium/Discount]	
Total:	\$
Uses of Proceeds:	
Deposit to Escrow Fund	\$
Costs of Issuance*	
Total:	\$

\* Includes underwriters' discount and other costs of issuing the Bonds, including legal, financial advisory, rating and printing.

## SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

### General

The Bonds are general obligations of the County and the County's full faith and credit are irrevocably pledged to the payment of principal of, premium, if any, and interest on the Bonds. While the Bonds remain outstanding and unpaid, the Board of Supervisors is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the County are not lawfully available and appropriated for such purpose. In order to provide for the maturing principal of some of the Bonds, the County expects to make annual deposits into a sinking fund. See the subsection "THE BONDS – Description of the Bonds – Redemption Provisions."

The County has never defaulted in the payment of either principal of, or interest on, any general obligation bond.

### Bondholders' Remedies in Event of Default

Section 15.2-2659 of the Virginia Code provides that upon affidavit of any owner, or any paying agent therefor, of a general obligation bond or note in default as to payment of principal or interest, the Governor of the Commonwealth of Virginia (the "Governor") shall conduct a summary investigation. If such default is established to the Governor's satisfaction, the Governor shall order the State Comptroller to withhold all funds appropriated and payable by the Commonwealth to the political subdivision so in default and apply a sufficient portion of the amount so withheld to payment of the defaulted principal and interest. The State Comptroller advises that to date no order to withhold funds pursuant to Section 15.2-2659, or its predecessors, Sections 15.1-225 and 15.1-227.61, has ever been issued. Although Section 15.2-2659 has not been considered by a Virginia court, the Attorney General of Virginia has opined that appropriated

funds may be withheld by the Commonwealth pursuant to one of its predecessor provisions, Section 15.1-225. Each fiscal year of the County (each a "Fiscal Year") ends on June 30, and for Fiscal Year 2016, the Commonwealth provided \$ \_\_\_\_\_ to the County which was deposited in the County's General Fund.

Although Virginia law currently does not authorize such action, future legislation may enable the County to file a petition for relief under the U.S. Bankruptcy Code (the "Bankruptcy Code") if it is insolvent or unable to pay its debts. Bankruptcy proceedings by the County could have adverse effects on the Bondholders, including (i) delay in the enforcement of their remedies, (ii) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings or (iii) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the owners of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent." The effect of these and other provisions of the Bankruptcy Code cannot be reliably predicted and may be significantly affected by judicial interpretation.

#### **[Enhanced Rating Disclosure]**

### **TAX MATTERS**

#### **Opinions of Bond Counsel – Federal Income Tax Consequences**

Bond Counsel's opinion regarding the Bonds will state that, under current law and assuming the compliance with the Covenants, as hereinafter defined, by the County and certain other persons and entities, interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of the Bonds) (i) is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation under Section 103 of the Code, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Bonds must be included in the adjusted current earnings of certain corporations for purposes of computing the federal alternative minimum tax imposed on such corporations. See Appendix B for the form of the opinion of Bond Counsel for the Bonds.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

#### **Reliance and Assumptions; Effect of Certain Changes**

As to questions of fact materials to its opinion, Bond Counsel is relying upon and assuming the accuracy of certifications and representations of representatives of the County and other third parties, and public officials, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by the County and certain other persons and entities. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the Treasury. Prior to the issuance of the Bonds, the County will enter into a tax certificate for the Bonds (the "Tax Certificate") that contains covenants (the "Covenants") with which the County has agreed to comply. A failure to comply with the Covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includible in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

#### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of such Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

### **Original Issue Discount**

The "original issue discount" ("OID") on any Bond is the excess of such bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such bond. The "issue price" of a bond is the initial offering price to the public at which price a substantial amount of such bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the Bonds is expected to be the initial public offering price set forth on the inside front cover page of this Official Statement, but is subject to change based on actual sales. Accrued OID on the Bonds with OID (the "OID Bonds") is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax with respect to the Bonds and the distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the OID accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

### **Bond Premium**

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium

Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of such Premium Bond.

#### **Effects of Future Enforcement, Regulatory and Legislative Actions**

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes. The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

#### **Opinion of Bond Counsel – Virginia Income Tax Consequences**

Bond Counsel's opinion also will state that, under current law, interest on the Bonds is excludable from the gross income of the owners thereof for purposes of income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the Bonds should consult their own tax advisors regarding the tax status of interest on the Bonds in a particular state or local jurisdiction other than the Commonwealth.

#### **PENDING LITIGATION**

The County, in the course of its activities, has been named as defendant in certain personal injury cases and suits for property damage.

These suits are being defended by the County Attorney and associated independent counsel retained by the County Attorney, and it is the opinion of the County Attorney that any possible losses in connection with the above pending litigation will not materially and adversely affect the County's financial condition. The County Attorney is also of the opinion that the above pending litigation will not affect the validity of

the Bonds or the ability of the County to levy and collect ad valorem taxes for the payment of the Bonds or the interest thereon. There is no pending litigation with respect to the Bonds or the ability of the County to levy and collect ad valorem taxes for the payment of such Bonds or interest thereon.

### **RATINGS**

The County has requested that the Bonds be rated and has furnished certain information to the rating agencies listed herein, including information that may not be included in this Official Statement. The Bonds have an underlying rating of '\_\_\_' from Moody's Investors Service ("Moody's"), '\_\_\_' from S&P Global Ratings ("S&P") and '\_\_\_' from Fitch Ratings ("Fitch"). The Bonds have an enhanced rating of '\_\_\_' from Moody's, '\_\_\_' from S&P and '\_\_\_' from Fitch. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS."

The ratings reflect only the views of the respective rating agency. Any explanation of the significance of the ratings may be obtained only from the respective rating agency. Generally, rating agencies base their ratings upon information and materials provided to them and upon investigations, studies and assumptions by the rating agencies. There is no assurance that such ratings will not be withdrawn or revised downward by Moody's, S&P or Fitch. Such action may have an adverse effect on the market price of the Bonds. The County has not undertaken any responsibility after the issuance of the Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

### **FINANCIAL STATEMENTS**

The County's audited general purpose financial statements for the Fiscal Year 2016 are published in Appendix A with accompanying notes. In addition, Appendix A also includes a report of the County's independent accountants.

### **FINANCIAL ADVISOR**

The County has retained Davenport & Company LLC, of Richmond, Virginia ("Davenport"), as Financial Advisor in connection with the issuance and sale of the Bonds. Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by Davenport on behalf of the County relating to forecasted payments of principal and interest to redeem the Refunded Obligations was examined by \_\_\_\_\_ (the "Verification Agent"). Such computations were based solely upon assumptions and information supplied by Davenport on behalf of the County. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

### **RELATIONSHIP OF PARTIES**

McGuireWoods LLP, Richmond, Virginia, Bond Counsel, represents Davenport from time to time in unrelated matters.



## **SALE AT COMPETITIVE BIDDING**

The Bonds are expected to be offered at competitive bidding on \_\_\_\_\_, 2017.\* After the Bonds have been awarded, the County will issue an Official Statement in final form to be dated the sale date of the Bonds. The County will deem the Official Statement in final form as of its due date, and it will be a "Final Official Statement" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. The Official Statement in final form will include, among other matters, the identity of the winning bidder for the Bonds (the "Underwriter"), expected selling compensation to the Underwriter and other information on the interest rates and offering prices or yields of the Bonds, all as supplied by such Underwriter. See Appendix E – "Notice of Sale."

## **CERTIFICATE REGARDING OFFICIAL STATEMENT**

Concurrently with the delivery of the Bonds, officials who signed the Bonds will certify that, to the best of their knowledge (i) the Final Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading and (ii) that no litigation is pending or threatened against the County (A) to restrain or enjoin the issuance or delivery of any of the Bonds, (B) in any way contesting or affecting any authority for the issuance or validity of the Bonds or (C) in any way contesting the existence or powers of the County. Such certificate will also state, however, that such officials did not independently verify the information in the Final Official Statement from sources other than the County, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the Final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

## **CONTINUING DISCLOSURE**

The County will execute and deliver for the benefit of the Beneficial Owners a Continuing Disclosure Agreement, the form of which is set forth as Appendix C to this Official Statement. Under the Continuing Disclosure Agreement, the County agrees to provide certain annual financial information and notice of the events listed in the Rule. As described in Appendix C, under the Continuing Disclosure Agreement the County is required to provide only limited information at specified times.

The continuing obligation of the County to provide annual financial information and notices referred to above will terminate when the Bonds are no longer outstanding. Any failure by the County to comply with the foregoing will not constitute a default with respect to the applicable Bonds.

**[Disclosure TBD]**

## **MISCELLANEOUS**

This Preliminary Official Statement is not to be construed as a contract with the purchasers of the Bonds. Any statement made in this Preliminary Official Statement involving matters of opinion or of estimates, whether or not so expressly identified, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The distribution of this Preliminary Official Statement has been duly authorized by the County, which has deemed this Preliminary Official

\* Preliminary, subject to change.

Statement final within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

The references herein to and summaries of federal, Commonwealth and County laws, including but not limited to the Constitution of the Commonwealth, the Virginia Code, and documents, agreements and court decisions are summaries of certain provisions thereof. Such summaries do not purport to be complete and are qualified in their entirety by reference to the full text of such acts, laws, documents, agreements or decisions, copies of which are available for inspection during normal business hours at the office of the County Attorney.

Any questions concerning the content of this Preliminary Official Statement should be directed to the County's County Administrator, 121 Bagley Circle, Suite 100, Marion, Virginia 24354 (276) 783-3298.

**SMYTH COUNTY, VIRGINIA**

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Michael Carter  
County Administrator

## **PART II THE COUNTY**

### **Overview**

The County was established in 1832 from Washington and Wythe Counties, and named for General Alexander Smyth, who represented the area in Congress. The County is located in southwestern Virginia and has a land area of approximately 435 square miles. Interstate 81, which bisects the County, provides easy access to Interstates 77, 26 and 64. The County is a part of the Mount Rogers Planning District Commission, which includes the Counties of Bland, Carroll, Grayson, Washington and Wythe and the Cities of Bristol and Galax. The County estimates its current population at \_\_\_\_\_. There are three incorporated towns in the County: Chilhowie, Marion and Saltville. The County seat is located at Marion. The County has taxing power within the boundaries of incorporated towns within the County.

### **Form of Government**

The County government is organized under the traditional form of government under Virginia law. The governing body of the County is the Board of Supervisors (the "Board of Supervisors" or the "Board"), which establishes policies for the administration of the County. The Board is composed of seven members with one member elected from each of seven election districts. A member must be a resident of the district which he serves. Members are elected for four-year terms, staggered at two-year intervals. Each year the Board elects a chairman and vice chairman from among its members. The Board appoints a County Administrator to act as the administrative head of the County. The County Administrator serves at the pleasure of the Board, carries out the policies established by the Board, directs business and administrative procedures and makes appointments of personnel.

### **Board of Supervisors**

Wade H. Blevins, Chilhowie District, Chairman of the Board of Supervisors, is serving his fourth term on the Board. Mr. Blevins is employed by Supergrow of Virginia. His term expires December 31, 2017.

Richard K. Blevins, \_\_\_\_\_ District, is serving his \_\_\_\_\_ term on the Board, Mr. Blevins is employed \_\_\_\_\_. His term expires December 31, 20\_\_.

M. Todd Dishner, Park District, Vice-Chairman of the Board of Supervisors, is serving his fourth term on the Board. Mr. Dishner owns and operates a dairy farm in the County. His term expires December 31, 2019.

Charles E. Atkins, \_\_\_\_\_ District, is serving his \_\_\_\_\_ term on the Board. Mr. Atkins is employed \_\_\_\_\_. His term expires December 31, 20\_\_.

Roscoe Call, Saltville District, is serving his second term on the Board. Mr. Call is employed as the Brine plant manager for Texas Brine, Inc. headquartered in Houston Texas. His term expires December 31, 2017.

G. Blake Frazier, \_\_\_\_\_ District, is serving his \_\_\_\_\_ term on the Board. Mr. Frazier is employed \_\_\_\_\_. His term expires December 31, 20\_\_.

Charles P. Stevenson, \_\_\_\_\_ District, is serving his \_\_\_\_\_ term on the Board. Mr. Stevenson is employed \_\_\_\_\_. His term expires December 31, 20\_\_.

### **Certain County Staff Members**

Michael Carter was appointed County Administrator in October 2010 after serving as acting County Administrator effective May 2009. Prior to this appointment, he served as Assistant County Administrator for seven years. Mr. Carter served as Director of Public Utilities prior to serving as Assistant County Administrator. He has been employed by the County for nearly 23 years. He is a graduate of Bluefield College.

Scott R. Simpson, P.E. was appointed the Assistant County Administrator in February 2011, while retaining his duties of County Engineer, held since March, 2004. Before joining the County, he was a project engineer for a large water, sewer and heavy highway contractor in South Florida. Currently, Mr. Simpson assists in the day to day operations of County Administration, coordinates all construction efforts for the County, assists in the operations side of the Water and Sewer Department, as well as the water and sewer planning. In addition, he participates in engineering and construction related activities for other County Departments as needed. Scott is a 1992 graduate from the University of Florida and is a licensed Professional Engineer in Virginia.

Jeffery L. Campbell was appointed County Attorney in March 2016. He is an attorney with the Campbell Law Firm in Marion, Virginia. He is a graduate of Emory & Henry College and Appalachian School of Law.

Thomas W. Burkett was originally elected Treasurer in 1999 and assumed office on January 1, 2000. He was re-elected in 2003, 2007, 2011 and 2015. He began his career with the Mt. Rogers Planning District Commission and served in various capacities for four years. He served five years as Executive Director of the Smyth County Chamber of Commerce before joining Virginia Farm Bureau as an insurance agent in 1998. He holds a degree from East Tennessee State University in History and Political Science.

### **Overlapping Units of Government**

In Virginia, cities and counties are not overlapping units of government. Each city or county is a distinct political entity providing services for the population within its respective jurisdiction. There are no combined city county governmental services unless provided for by contractual agreements. The County, therefore, is responsible for providing all local governmental services to its residents.

### **Courts**

The County's Judiciary System consists of three courts: Circuit Court, General District Court and Juvenile and Domestic Relations Court, the judges of which are elected by the General Assembly of Virginia. Each court has a Clerk of Court whose duties pertain to that specific court and include court dockets.

The Juvenile and Domestic Relations Court has original jurisdiction over all juvenile cases involving dependent, neglected or delinquent children under the age of 18 and living in the County. The Court has extended jurisdiction of offenses committed against children, a family member or any other situation where the welfare of a child is at stake.

The General District Court has both civil and criminal jurisdiction and is primarily designed to hear and determine misdemeanors, civil cases involving amounts less than \$15,000 and preliminary hearings for felonies. It, along with the Juvenile and Domestic Relations Court, has jurisdiction over traffic infractions and offenses.

The Circuit Court has original jurisdiction in criminal and civil cases, appellate jurisdiction in cases appealed from the General District Court or the Juvenile and Domestic Relations District Court and original jurisdiction in divorce proceedings. The duties of the Circuit Court are numerous. They include the keeping of records of all mortgages, deeds, licenses, etc. that are filed and maintained by the Clerk of Court and the issuance of marriage, hunting and fishing licenses.

### **Public Safety**

Public safety services are provided by the County Sheriff's Office, the Virginia State Police, the Chilhowie Police Department, the Marion Police Department and the Saltville Police Department. Each of the five divisions has numerous functions including the investigation of criminal activities, highway safety enforcement and responding to complaints and calls for service.

The County Sheriff's Office houses the Emergency Services/Civil Defense Office which acts as a liaison between various governmental agencies and coordinates the County's resources in the event of a disaster. Also housed in the Sheriff's Office is the E-911 Communications System which dispatches emergency services to County residents.

The Virginia State Police, when involved in situations requiring immediate action, have at their disposal bomb detection K-9's, bomb disposal vehicles, drug detection K-9's, crowd control and tracking K-9's, scuba teams, tactical response teams, armored vehicles, crime scene processing vans, both helicopter and fixed wing aircraft and Bureau of Criminal Investigation personnel with expertise in all phases of criminal investigation.

The Chilhowie, Marion and Saltville Police Departments provide home checks for vacationing residents, the Neighborhood Watch Program and a Safety Program for the local schools.

Along with the County of Norton and the Counties of Buchanan, Dickenson, Lee, Russell, Scott, Washington and Wise, the County is a member of the Southwest Regional Jail Authority, which designed, constructed and now operates three regional jail facilities, strategically located throughout the service area, with a combined capacity for approximately 780 prisoners. The operations are funded through a combination of per inmate contributions from the member localities and Federal and State funding.

The County's Fire Department consists of seven volunteer departments: Nebo, Atkins, Marion, Chilhowie, Sugar Grove, Saltville and Adwolve. These seven volunteer departments are strategically located to provide timely service to each district of the County.

The County has four volunteer rescue squads to provide medical assistance and transportation to area medical facilities.

### **Public Utilities**

The Water and Sewer Department has been providing water and wastewater services to residents, industries and commercial customers throughout the County for over 30 years. The County provides its customers with water from six different sources, two of which are County-owned. The remaining four sources are owned by the Thomas Bridge Water Corporation and the Towns of Chilhowie, Marion and Saltville. The County purchases approximately 60% of its daily water needs. The County provides water service to over 2,500 customers.

Sewer facilities owned by the County include 32 miles of line and three pumping stations. Wastewater treatment is provided through three intergovernmental agreements. In 1997, the County

entered into an agreement with the Town of Chilhowie for joint utilization of the capacity of the Chilhowie/Smyth Wastewater Treatment Plant. Chilhowie owns and operates the facility and the County is entitled to 25% of the treatment capacity. In 2001, the County entered into an agreement with the Town of Saltville to construct and operate the Saltville/Smyth County Regional Wastewater Treatment Facility. The facility is operated by Saltville. The County's capacity in the facility is 40%. Approximately 900 customers are served. The County entered into an agreement with the Town of Marion in 1990 for the treatment of wastewater. Under the agreement, the County is entitled to 17.65% of the treatment capacity.

### **Education**

The County's public school system is under the jurisdiction of the School Board. The School Board members are elected with four-year staggered terms from election districts coterminous with the election districts for the Board of Supervisors. The curriculum includes college preparatory instruction, vocational education and special education programs for students with educationally handicapped conditions.

The Smyth County School Division includes 14 schools, consisting of four elementary schools, three middle schools, three high schools, one primary school that houses Pre-Kindergarten through 2nd grade, one combined school that houses Pre-Kindergarten through 8th grade, one intermediate school that houses 3rd through 5th grades and one Career and Technology Center. The School Division also conducts a GED Program, Teaching Alternative Program, and an Adult Education Program.

#### **STATISTICAL REPORT**

**Fiscal Year Ended June 30, 2016, With Comparative Figures for Previous Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Number of School Buildings	14	14	14	14	14
Number of Teachers, Principals and Supervisors					
Number of Students Registered					
Average Daily Membership:					
Elementary Schools					
Middle School					
High School					
Total					

Source: Smyth County School Board.

### **Public Library**

The Smyth/Bland Regional Library operates three branches in Smyth County. The Regional Library circulates almost 78,000 volumes in the County, including the main library in Marion, the Saltville branch and the Chilhowie branch. The libraries provide County residents with periodicals, books, record albums, DVD's, cassettes and video tapes.

The Outreach Services provide material to senior citizens who are living in nursing and retirement homes or assisted living facilities and who come to Senior Citizens' Centers. Monthly deliveries of material is made utilizing a van and a part-time employee. Programs are available to children as young as 6 months and as old as 18 years of age in the Young Adult Department. The Young Adult Department partners with schools, daycare centers, after school programs, home school families, and private school classes to serve children and advance early childhood literacy in every way possible.

The Marion Branch also contains a children's room, a community room that can seat 100 people, and an extensive genealogical collection.

### **Medical Services**

There are a variety of medical clinics, private physicians, dentists, optometrists, physical therapists and pharmacists in the County. The Smyth County Community Hospital and the Southwest Virginia Mental Health Institute also provide medical services. There are also several hospitals and medical facilities within 25 miles of the County.

### **Economic Development Authority**

The County Economic Development Authority was created in 1966 to promote industrial growth in the County. The Economic Development Authority may authorize the issuance of tax-exempt industrial bonds to benefit industries locating or expanding their operations in the County. The Economic Development Authority acts as a support organization for the County's Department of Economic Development. In addition, in 2000 the County and Washington County created the Smyth-Washington Regional Industrial Facilities Authority for the purpose of promoting economic development in those counties. The County shares equally with Washington County in the costs and revenue generated from the development of the Highlands Business Park.

### **Population**

The following data illustrates the County's population trend.

<b><u>Calendar Year</u></b>	<b><u>Population</u></b>
1980	
1990	32,370
2000	33,081
2010	32,208
2011	
2012	
2013	
2014	
2015	
2016	

Sources: U.S. Bureau of Census.

### **Per Capita Personal Income**

The following table provides an annual comparison of per capita personal income for the County, the Commonwealth of Virginia and the United States for the years 2007 through 2016.

<b><u>Calendar Year</u></b>	<b><u>Smyth County</u></b>	<b><u>Commonwealth of Virginia</u></b>	<b><u>United States</u></b>
2007	\$26,577	\$43,437	\$39,461
2008	27,719	44,676	40,674
2009	27,917	44,057	39,635
2010			
2011			
2012			
2013			
2014			
2015			
2016			

Source: U.S. Department of Commerce, Bureau of Economic Analysis (latest figures available).

### **Taxable Retail Sales Data**

The following table shows retail sales data in the County for the last ten calendar years.

<b><u>Calendar Year</u></b>	<b><u>Population</u></b>	<b><u>Taxable Retail Sales</u></b>	<b><u>Per Capita Taxable Retail Sales</u></b>
2007	32,039	191,432,560	5,974.99
2008	31,905	191,556,189	6,003.96
2009	31,738	187,575,308	5,910.12
2010	32,208	189,378,417	5,879.86
2011			
2012			
2013			
2014			
2015			
2016			

Source: Population figures from the U.S. Bureau of Census; taxable retail sales figures from Virginia Department of Taxation.



## NOTICE OF SALE

\$ \_\_\_\_\_  
Smyth County, Virginia  
General Obligation Refunding Bonds  
Series 2017

Date of Sale:....., 2017\*  
Time of Sale:..... 10:30 AM Eastern Time\*

Electronic bids, via BIDCOMP/Parity Competitive Bidding System ("BIDCOMP/Parity") will be received by Smyth County, Virginia (the "County") for the purchase of the County's \$ \_\_\_\_\_\* General Obligation Refunding Bonds, Series 2017 (the "Series 2017 Bonds") until 10:30 a.m. (Eastern Time) on \_\_\_\_\_, 2017\* (unless changed as described herein).

### Description of Series 2017 Bonds; Interest Payment Dates

The Series 2017 Bonds will be general obligations bonds of the County issued in fully registered form. The Series 2017 Bonds will be dated their date of delivery, expected to be \_\_\_\_\_, 2017,\* and will be issued as fully registered bonds in book-entry form only. Interest on the Series 2017 Bonds will be calculated on a 30/360 basis and will be payable semiannually on May 1 and November 1, commencing November 1, 2017.

### Principal Amortization

Principal on the Series 2017 Bonds will be paid (subject to prior redemption) through serial maturities and/or term maturities with annual sinking fund redemptions on the following dates and in the following amounts:

<u>Year</u> <u>(November 1)*</u>	<u>Annual Principal</u> <u>Amounts*</u>	<u>Year</u> <u>(November 1)*</u>	<u>Annual Principal</u> <u>Amounts*</u>
	\$		\$

### Authorization and Purpose

Issuance of the Series 2017 Bonds was authorized by a resolution adopted by the Board of Supervisors of the County on March 14, 2017 (the "Resolution"). The Series 2017 Bonds are being issued (i) to refund the certain outstanding prior bonds of the County and (ii) to pay the costs of issuing the Series 2017 Bonds.

### Security

The Series 2017 Bonds will be general obligations of the County, secured by a pledge of the County's full faith and credit. The County has the power and will be required by law to levy and collect ad valorem taxes without

\* Preliminary, subject to change.

limit as to rate and amount on all property within the County subject to taxation to pay the principal of and interest on the Series 2017 Bonds as the same become due unless other funds are lawfully available and appropriated therefor.

### **Optional Redemption**

The Series 2017 Bonds maturing on or before November 1, 2027,\* are not subject to optional redemption. The Series 2017 Bonds maturing on or after November 1, 2028,\* are subject to optional redemption before maturity on or after November 1, 2027,\* at the direction of the County, in whole or part in installments of \$5,000 at any time, in such order as may be determined by the Director of Financial and Management Services upon payment of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.

### **Serial Bonds, Term Bonds and Mandatory Sinking Fund Redemption**

The successful bidder may provide in the bid form for all of the Series 2017 Bonds to be issued as serial bonds or may designate consecutive annual principal amounts of the Series 2017 Bonds to be combined into term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on June 15 of the first year which has been combined to form such term bond and continuing on June 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above under "Principal Amortization" as such schedule may be revised in accordance with this Notice of Sale. The Series 2017 Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Series 2017 Bonds of the maturity being redeemed. Term bonds with overlapping sinking fund installments or sinking fund installments that overlap serial bond maturities will not be permitted.

### **Selection of Series 2017 Bonds for Redemption**

If less than all of the Series 2017 Bonds are called for optional redemption the maturities of the Series 2017 Bonds to be redeemed will be called in such order as the County may determine.

If less than all of the Series 2017 Bonds of any maturity are called for redemption, the Series 2017 Bonds to be redeemed will be selected by The Depository Trust Company ("DTC") or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, will be selected by the bond registrar by lot in such manner as the bond registrar in its discretion may determine.

### **Notice of Redemption**

If any of the Series 2017 Bonds or portions thereof are called for redemption, the bond registrar shall send notice of the call for redemption identifying the Series 2017 Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Series 2017 Bonds are to be surrendered for payment, by first class mail, electronic transmission, or overnight delivery service not less than 30 nor more than 60 days before the redemption date to the registered owner of each Series 2017 Bond to be redeemed at such owner's address as it appears on the registration books maintained by the bond registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2017 Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Resolution and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

Any notice of optional redemption of the Series 2017 Bonds may state that it is conditioned upon there being available an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due

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\* Preliminary, subject to change.

to an insufficient amount of funds on deposit by the County, the corresponding notice of redemption shall be deemed to be revoked.

#### **Book-Entry Only**

Initially, one bond certificate for each maturity will be issued to DTC or its nominee, which will be designated as the securities depository for the Series 2017 Bonds. So long as DTC is acting as securities depository for the Series 2017 Bonds, a book-entry system will be employed, evidencing ownership of the Series 2017 Bonds in principal amounts of \$5,000 and multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal of, redemption premium, if any, and interest on the Series 2017 Bonds will be payable to DTC or its nominee as registered owner of the Series 2017 Bonds. Principal of, redemption premium, if any, and interest on the Series 2017 Bonds will be payable in lawful money of the United States of America.

Transfer of principal, redemption premium, if any, and interest payments to beneficial owners (the "Beneficial Owners") will be the responsibility of DTC participants and other nominees of the Beneficial Owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that DTC determines not to continue to act as securities depository for the Series 2017 Bonds or the County decides to discontinue the book-entry system with DTC, either a successor securities depository will be selected by the County or the County will cause the execution and delivery of replacement bonds in the form of fully registered certificates.

#### **Bid Specifications**

No bid for other than all of the Series 2017 Bonds will be considered. All bids must be unconditional. No offer to purchase the Series 2017 Bonds at a price less than par will be accepted. Bidders are invited to name the rate or rates of interest that the Series 2017 Bonds are to bear, in multiples of 1/8 or 1/20 of one percent. Each bidder must specify in its bid a single rate for each maturity of the Series 2017 Bonds.

Any number of rates may be named for the Series 2017 Bonds, provided that (a) the difference between the highest interest rate and the lowest interest rate shall not exceed 3.0% and (b) no interest rate may exceed 5.0%.

#### **Changes to Preliminary Principal Amounts of the Series 2017 Bonds**

The County reserves the right to reduce or increase the aggregate principal amount and the principal amount of each maturity of the Series 2017 Bonds as set forth on page one of this Notice of Sale (the "Preliminary Principal Amounts"). Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," collectively, the "Revised Amounts") will be announced on [www.TM3.com](http://www.TM3.com) not later than 9:30 a.m. ((Eastern)) on the announced date for the receipt of bids. In the event that no such revisions are made, the Preliminary Principal Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts. Prospective bidders may request notification by facsimile transmission or e-mail of any such changes in the Preliminary Principal Amounts by so advising, and furnishing their facsimile numbers or e-mail addresses to Davenport & Company LLC (the "Financial Advisor") at (804) 697-2900 no later than 5:00 p.m. ((Eastern)) the day before the date for receipt of bids.

### **Changes to Aggregate Principal Amount**

The Revised Aggregate Principal Amount and the Revised Annual Principal Amounts of the Series 2017 Bonds may be revised by the County following acceptance of a bid for the purchase of the Series 2017 Bonds. The successful bidder may not withdraw its bid or change the price or interest rate bid at the initial reoffering price, as defined herein, as a result of any adjustment made to the Revised Amounts of the Series 2017 Bonds. In the event of any such adjustment, no re-bidding or re-calculation of the bids submitted will be required or permitted. The dollar amount bid by the successful bidder for the Series 2017 Bonds will be adjusted to reflect the changes in the Revised Aggregate Principal Amount. Such adjusted dollar amount bid will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Series 2017 Bonds from the selling compensation per \$1,000 that would have been received based on the purchase price and the initial reoffering prices in the winning bid. The interest rates specified by the successful bidder for each maturity and the initial reoffering prices will not change. The County anticipates that it will notify the successful bidder of any adjustment to the Revised Amounts of the Series 2017 Bonds by 2:00 p.m. ((Eastern)) on the date of the sale.

### **Electronic Bidding and Bidding Procedures**

*Registration to Bid.* All prospective bidders must be contracted customers of Ipreo's BiDCOMP/Parity. If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. By submitting a bid for the Series 2017 Bonds a prospective bidder represents and warrants to the County that such bidder's bid for the purchase of the Series 2017 Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2017 Bonds.

If any provisions of this Notice of Sale shall conflict with earlier information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021.

*Disclaimer.* Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the County nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The County is using BiDCOMP/Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Series 2017 Bonds. The County is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" set forth in this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Series 2017 Bonds, it should telephone BiDCOMP/Parity and notify the County's Financial Advisor at (804) 697-2900 (provided that neither the Financial Advisor nor the County shall have an obligation to take any action whatsoever upon receipt of such notice).

*Bidding Procedures.* Bids submitted electronically for the purchase of the Series 2017 Bonds (all or none) must be by means of Smyth County, Virginia Bid Form (the "Bid Form") via BiDCOMP/Parity by 10:30 a.m. (Eastern) on \_\_\_\_, 2017, unless changed as described herein (see "Change of Date and Time for Receipt of Bids"). Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the County, each bid will constitute an irrevocable offer to purchase the Series 2017 Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the County, as described

under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission, e-mail or in any other medium or on any system other than by means of the Bid Form via BidCOMP/Parity. No bid will be received after the time for receiving such bids specified above.

#### **Good Faith Deposit**

The successful bidder for the Series 2017 Bonds, as indicated on BidCOMP/PARITY, shall submit a good faith deposit in the amount of \$\_\_\_\_\_ (the "Good Faith Deposit") for the winning bid on the Series 2017 Bonds as provided below. The Good Faith Deposit will secure the County from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. The successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of the preliminary award of the Series 2017 Bonds, as indicated on BidCOMP/PARITY (the "Preliminary Award"), but in any case, no later than 2:00 p.m. ((Eastern)) on the date of the Preliminary Award. Wire instructions will be provided to the successful bidder by the Financial Advisor upon notification of the Preliminary Award.

The successful bidder shall provide as quickly as it is available, evidence of wire transfer to the Financial Advisor by providing to the Financial Advisor the federal funds reference number. The formal award of the Series 2017 Bonds shall not be made until the Financial Advisor has confirmation of receipt of the Good Faith Deposit, and if the successful bidder fails to so deliver the Good Faith Deposit by the time designated above, the County will have the option to withdraw the Preliminary Award and the successful bidder shall be responsible to the County for all consequential damages arising from such withdrawal.

At the time of delivery of the Series 2017 Bonds, the Good Faith Deposit will be applied against the purchase price for the Series 2017 Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for the Series 2017 Bonds in accordance with the terms of its proposal and this Notice of Sale. The successful bidder shall have no right in or to the Good Faith Deposit if it fails to complete the purchase of, and payment in full of, the Series 2017 Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the County. No interest will be paid upon the Good Faith Deposit to the successful bidder. Notwithstanding the foregoing, should a successful bidder fail to pay for the Series 2017 Bonds at the price and on the date agreed upon, the County retains the right to seek further compensation for damages sustained as a result of the successful bidder so doing.

#### **Basis of Award**

Unless all bids are rejected, the Series 2017 Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County. The true interest cost (expressed as an annual interest rate) will be determined as being twice that factor or discount rate, compounded semi-annually, which, when applied against each combined semi-annual debt service payment (interest, or principal and interest, as due, including any mandatory sinking fund payment) for the Series 2017 Bonds, will equate the sum of such discounted semi-annual payments to the total purchase price. The true interest cost shall be calculated from the dated date of the Series 2017 Bonds. In case of a tie, the County, at its sole discretion, may select the successful bidder. THE COUNTY RESERVES THE RIGHT TO WAIVE IRREGULARITIES IN ANY BID AND TO REJECT ANY OR ALL BIDS.

The Series 2017 Bonds are being issued to refund prior bonds of the County. Depending upon market conditions on the date of sale, the County will refinance such prior bonds, in whole or in part, only if the County is able to achieve, in its judgment, appropriate levels of debt service savings.

### **Undertakings of the Successful Bidder**

The successful bidder shall make a bona fide public offering of the Series 2017 Bonds and shall, within 30 minutes after being notified of the award of the Series 2017 Bonds, advise the County in writing (via facsimile transmission or e-mail) of the initial public offering prices of the Series 2017 Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission, e-mail or delivery received by the County within 24 hours after award, furnish the following information to the County to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series 2017 Bonds are sold at the prices or yields at which the successful bidder advised the County that the Series 2017 Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the County determines is necessary to complete the Official Statement in final form.

After the award of the Series 2017 Bonds, the County will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Series 2017 Bonds as the successful bidder may reasonably request; provided, however, that the County will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Series 2017 Bonds. The successful bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

The County expects the successful bidder to deliver copies of such Official Statement in final form (the "Final Official Statement") to persons to whom such bidder initially sells the Series 2017 Bonds and the Municipal Securities Rulemaking Board ("MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA"). The successful bidder will be required to acknowledge receipt of such Final Official Statement, to certify that it has made delivery of the Final Official Statement to such repositories, to acknowledge that the County expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Series 2017 Bonds and to certify that the Series 2017 Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

### **Issue Price Certificate**

Simultaneously with the delivery of the Series 2017 Bonds, the successful bidder shall furnish to the County a certificate (an "Issue Price Certificate") to the effect (i) that the successful bidder has made a bona fide offering of each maturity of the Series 2017 Bonds to the Public (as defined below) at its respective Initial Reoffering Price, (ii) that, except for any specified maturities (each a "Specified Maturity"), at least ten percent (10%) of the par amount of each maturity of the Series 2017 Bonds was actually sold to the Public at its respective Initial Reoffering Price, (iii) that, for the Series 2017 Bonds of each Specified Maturity, the successful bidder (A) shall certify that it was its reasonable expectation as of the date of the sale of the Series 2017 Bonds that at least ten percent (10%) of the par amount of the Series 2017 Bonds of the Specified Maturity would be sold to the Public at its respective Initial Reoffering Price and (B) provide a statement as to why such expectation was not satisfied, and (iv) that the respective Initial Reoffering Price for each maturity of the Series 2017 Bonds was not less than the fair market value of such maturity as of the date of the sale of the Series 2017 Bonds, or such other facts regarding the actual sale of the Series 2017 Bonds as shall be acceptable to the County and McGuireWoods LLP, Richmond, Virginia, bond counsel to the County ("Bond Counsel"). Bond Counsel advises that (i) the Issue Price Certificate must be made on the best knowledge, information and belief of the successful bidder and (ii) reliance on facts other than those specified above as a basis for any certification in the Issue Price Certificate will require evaluation by the County and Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Series 2017 Bonds. The term "Public" means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.

### **Delivery of Series 2017 Bonds**

The Series 2017 Bonds are expected to be delivered on or about \_\_\_\_\_, 2017 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS ANNOUNCED ON TM3 NOT LATER THAN 4:00 P.M. ((Eastern)) ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) through the facilities of DTC, New York, New York, against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal Funds.

The obligations of the successful bidder to accept the Series 2017 Bonds and the obligations of the County to deliver the Series 2017 Bonds shall be conditioned upon (i) the availability of the approving opinion of Bond Counsel in the form attached to the Preliminary Official Statement, (ii) the delivery by the County of closing certificates confirming (A) the execution and delivery of the Series 2017 Bonds, (B) the lack of litigation pending or threatened against the Series 2017 Bonds and (C) the accuracy of the information contained in the Official Statement and (iii) the delivery of all other standard closing documents. If the Series 2017 Bonds are not accepted or delivered before 3:00 P.M. ((Eastern)) on the day of closing because the conditions of acceptance and delivery are not satisfied, the successful bidder shall be entitled to the return of its Good Faith Deposit (less any interest earned thereon), and the successful bidder and the County shall be relieved of their obligations to each other arising out of this Notice of Sale.

### **Legal Opinion**

The approving opinion of Bond Counsel, in substantially the form set forth in an appendix to the Preliminary Official Statement, will be furnished at no expense to the successful bidder. The Preliminary Official Statement contains a discussion of the effect of the Code on the excludability from gross income of interest on the Series 2017 Bonds and a discussion of Bond Counsel's opinion insofar as it concerns such exclusion.

### **CUSIP Numbers**

CUSIP numbers will be applied for by the successful bidder with respect to the Series 2017 Bonds. The County will assume no obligation for the assignment or printing of such numbers on the Series 2017 Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any Series 2017 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Series 2017 Bonds.

### **Official Statement**

The Preliminary Official Statement dated the date hereof and the information contained therein have been deemed final by the County as of its date within the meaning of the Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") with permitted omissions, but is subject to change without notice and to completion or amendment in the Official Statement in final form (the "Final Official Statement").

The County will make available to the successful bidder a reasonable number of Final Official Statements, for delivery to each potential investor requesting a copy of the Final Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Series 2017 Bonds, within seven business days of the award of the Series 2017 Bonds, provided that the successful bidder cooperates in a timely manner in providing the information required to complete the Final Official Statement.

The successful bidder shall comply with the requirements of Rule 15c2-12 and the rules of the MSRB, including an obligation, if any, to update the final Official Statement.

### **Continuing Disclosure**

The County will undertake, pursuant to the Continuing Disclosure Agreement, to provide certain annual financial information and notice of the events listed in Rule 15c2-12. A description of this undertaking is described in the Preliminary Official Statement under the heading entitled "CONTINUING DISCLOSURE."

### **Change of Date and Time for Receipts of Bids**

The County expects to take bids on the Series 2017 Bonds on \_\_\_\_, 2017.\* However, the County reserves the right to change the date and time established for the receipt of bids, and will undertake to notify potential bidders of such changes in the date or time for the receipt of bids. A change of the bid date will be announced via TM3 not later than 9:30 a.m. ((Eastern)), on any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 at least 20 hours prior to such alternative date and time for receipt of bids.

On any such alternative sale date and time, the County will accept bids for the purchase of the Series 2017 Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time of sale and any other changes announced by TM3 at the time the sale date and time are announced. In addition, the County reserves the right to make changes to this Notice of Sale. Such changes will be announced on TM3.

### **Additional Information**

For further information relating to the Series 2017 Bonds, reference is made to the Preliminary Official Statement, dated the date hereof, prepared for and authorized by the County. Bidders may obtain the Preliminary Official Statement via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Printed copies are available upon request from the County's Financial Advisor, One James Center, 901 East Cary Street, Richmond, Virginia 23219 Telephone: (804) 697-2900.

Dated: \_\_\_\_, 2017

SMYTH COUNTY, VIRGINIA

By: Michael Carter, County Administrator

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\* Preliminary, subject to change.



## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered on \_\_\_\_\_ 2017 (the "Closing Date") by Smyth County, Virginia (the "County"), in connection with the issuance by the County of its \$ \_\_\_\_\_ General Obligation Refunding Bonds, Series 2017 (the "Series 2017 Bonds") pursuant to a resolution adopted by the Board of Supervisors of the County on March 14, 2017 (the "Resolution"). Pursuant to the Resolution, the County Administrator approved the sale of the Series 2017 Bonds to \_\_\_\_\_ (the "Underwriter") and the offering and sale of the Bonds by the Underwriter to the public pursuant to an Official Statement relating to the Bonds, dated March \_\_, 2017 (the "Final Official Statement"). The County hereby represents, covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the Holders (as defined below) and in order to assist the Underwriters in complying with the Rule (as defined below).

Section 2. Definitions. The following capitalized terms shall have the following meanings.

"Annual Financial Information" with respect to any Fiscal Year of the County means the following:

(i) audited financial statements for the County prepared in accordance with generally accepted accounting principles; (and if audited financial statements are not available as of the Annual Report date, financial statements as may be required by the Rule will be filed with the Annual Report and the audited financial statements will be Made Public when they become available); and

(ii) the financial information and operating data with respect to the County, of the type found in the following tables included in the Final Official Statement:

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"Dissemination Agent" shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, described in Securities Exchange Act of 1934 Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Fiscal Year" shall mean the twelve-month period, at the end of which the financial position of the County and results of its operations for such period are determined. Currently, the County's Fiscal Year begins July 1 and continues through June 30 of the next year.

"Holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"Make Public" or "Made Public" has the meaning set forth in Section 4 of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as in effect from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

Section 3. Obligations of the County.

(a) The County shall, in accordance with the Rule, Make Public or cause to be Made Public by the Dissemination Agent (if different from the County), the Annual Financial Information not later than March 31 after the end of each Fiscal Year beginning with the Fiscal Year ending June 30, 2017.

(b) The County shall Make Public or cause to be Made Public by the Dissemination Agent (if different from the County), in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events that may from time to time occur with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the County;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) The County shall Make Public or cause to be Made Public by the Dissemination Agent (if different from the County), in a timely manner notice of the failure of the County on or before the date required by this Disclosure Agreement to provide Annual Financial Information to the persons and in the manner required by this Disclosure Agreement.

provided that nothing in this subsection (b) shall require the County to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the Bonds or to pledge any property as security for repayment of the Bonds.

(d) The County shall notify the MSRB of any change in its Fiscal Year not later than the date on which it first provides any information to the MSRB in the then current Fiscal Year.

(e) Any information required to be included in the Annual Financial Information may be included by specific reference to other documents previously provided to the MSRB, or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from EMMA.

Section 4. Information Made Public. Information shall be deemed to have been "Made Public" for purposes of this Disclosure Agreement if transmitted to the MSRB in an electronic format as prescribed by the MSRB, directly or through an intermediary, for publication on EMMA (or any successor).

Section 5. CUSIP Numbers. The County shall reference, or cause the Dissemination Agent (if different from the County) to reference, the CUSIP prefix number for the Bonds in any notice provided to the MSRB pursuant to Sections 3 and 4.

Section 6. Termination of Reporting Obligation. The obligations of the County under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or payment in full of the Bonds.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure

Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment complies with the Rule at the time of the amendment. The County shall promptly provide notice of such amendment to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of an event listed in Section 3(b), in addition to that which is required by this Disclosure Agreement. If the County chooses to provide any additional information in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice Made Public hereunder.

Section 10. Default. Any Holder, whether acting jointly or severally, may take such action as may be permitted by law, including seeking mandate or specific performance by court order, to secure compliance with the obligations of the County under this Disclosure Agreement. In addition, any Holder, whether acting jointly or severally, may take such action as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

The remainder of the page intentionally left blank

**IN WITNESS WHEREOF**, the undersigned has caused this Continuing Disclosure Agreement to be executed as of the Closing Date.

**SMYTH COUNTY, VIRGINIA**

By: \_\_\_\_\_  
County Administrator

## **NOTICE OF PUBLIC HEARING**

Pursuant to §§ 15.2-2409 and 33.2-343 of the Code of Virginia, 1950, as amended, the Board of Supervisors of the Smyth County, Virginia hereby gives notice of its intent to conduct public hearings regarding proposed improvements to the following subdivision road:

### **GREEN VALLEY COURT**

Landowners of property abutting Green Valley Court in the Chilhowie Magisterial District propose to make financial contributions to fund fifty percent of the costs associated with improvement of the road to standards sufficient for the Virginia Department of Transportation (VDOT) to accept the road into the state secondary system of highways for purposes of maintenance, improvement, construction and reconstruction. VDOT would fund the remaining fifty percent of costs. Upon receipt of written agreements from seventy-five percent of owners of land abutting the road, the Board will consider contributing from special assessment of abutting landowners fifty percent of the costs of improvements. If the Board agrees to the proposal, liens will be created against each abutting parcel until the owner reimburses the County its proportionate share of the expense. Any landowner wishing to make objections to an assessment or apportionment may appear at the public hearing in person or by counsel and state such objections.

The Board will consider these proposals at its regular meeting on Tuesday, March, 14<sup>th</sup>, 2017 at 6:00 p.m. in the Board of Supervisors Meeting Room at the County Administration Building located at 121 Bagley Circle, Marion, Virginia.

In compliance with the Americans with Disabilities Act, persons requiring special assistance to attend and participate in the public hearing should contact Clegg Williams, ADA Coordinator for Smyth County, at (276) 783-3298 x 8315 at least forty eight (48) hours prior to the public hearing.

By order of the Smyth County Board of Supervisors  
Michael L. Carter, County Administrator

## **NOTICE PUBLIC HEARING**

On March 14, 2017 at 6:15 p.m. in the Smyth County Office Building, 121 Bagley Circle, Marion, Virginia, the Smyth County Board of Supervisors will hold a public hearing on its intent to propose an Ordinance authorizing the exercise of joint powers under an Agreement between the Counties of Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Washington, and Wythe and the Cities of Bristol, Galax, and Radford, Virginia. The purpose of the Agreement would be to fulfill its responsibilities under the federal Workforce Innovation and Opportunity Act. The Agreement approved by this Ordinance will supersede and replace the Agreement entered into by the governing bodies in January, 2010. The Ordinance is available at the County Administrator's Office, 121 Bagley Circle, Suite 100, Marion, Virginia.

In compliance with the Americans with Disabilities Act, persons requiring special assistance to attend and participate in this hearing should contact Clegg Williams, ADA Coordinator, at (276) 706-8315 at least 48 hours prior to the hearing.

Done by the order of the Board of Supervisors  
Michael L. Carter, County Administrator

## **Second Public Hearing**

Smyth County will hold a public hearing on March 14, 2017 at 6:30pm at the Smyth County Administration Building Board Room located at 121 Bagley Circle, Marion VA to solicit public input on the proposed Community Development Block Grant (CDBG) proposal to be submitted to the Virginia Department of Housing and Community Development (DHCD) for the Lick Skillet Housing Rehab Project Phase II. Residents of the project area are encouraged to attend. Project will include: Housing Rehabilitation, Substantial Reconstruction, Demolition, property maintenance etc.

A CDBG summary will be presented for comment along with information on projected beneficiaries, including the number of Low-to-Moderate income residents to benefit from the proposed project, and plans to minimize displacement. Citizens will be given the opportunity to comment on Smyth County's past use of CDBG funds.

Anyone unable to attend the hearing may submit comments and/or grievances in writing to Michael Carter, Smyth County Administrator, 121 Bagley Circle, Suite 100, Marion, Virginia 24354 or by phone (276) 783-3298 prior to the public Hearing.

In compliance with the Americans with Disabilities Act, persons requiring special assistance to attend and participate in this hearing should contact Clegg Williams, ADA Coordinator, at (276) 706-8315 at least 48 hours prior to the hearing.

Done by order of the Smyth County Board of Supervisors.

Michael L. Carter, County Administrator



## **RESOLUTION**

### **A Resolution for Application to the Virginia Department of Housing and Community Development For The Lick Skillet Housing Rehabilitation Project Phase II**

**WHEREAS, Smyth County, Virginia has identified housing quality as a priority in its ongoing redevelopment plans / planning grant; and**

**WHEREAS, The Virginia Department of Housing and Community Development is making available Community Development Block Grant Funding for the 2017 Fiscal Year; and**

**WHEREAS, pursuant to two Public Hearings the Board of Supervisors of Smyth County, Virginia wishes to apply for up to \$700,000 of Community Development Block Grant (CDBG) Funds for the Lick Skillet Housing Rehab Project Phase II.**

**NOW, THEREFORE, BE IT RESOLVED, that the County Administrator is hereby authorized to sign and submit appropriate documents for the CDBG application; and**

**BE IT FURTHER RESOLVED, that all beneficiaries of the project will be low-to-moderate income residents of Smyth County, as of July 1, 2016.**

**Adopted the 14<sup>th</sup> day of March, 2017**

**By: \_\_\_\_\_  
Chair Smyth County Board of Supervisors**

**ATTEST:**

**By: \_\_\_\_\_  
Clerk**



## Smyth County Planning Commission

121 Bagley Circle, Suite 120, Marion, VA 24354  
Phone (276) 706-8316 Fax (276) 783-9314

Hazel Wagoner, Atkins District  
Graham Davidson Jr., Chilhowie District  
Norman Sparks, North Fork District  
Joel Pugh, Park District  
Robbie Doyle, Royal Oak District  
Paul Shepherd, Rye Valley District  
David Spence, Saltville District  
Clegg Williams, Zoning Administrator  
Becca Creasy, Administrative Assistant

To: Michael L. Carter  
From: Clegg Williams *CW*  
Date: February 27, 2017  
Subject: Recommendation from Planning Commission

At the joint public hearing on Thursday, February 23, 2017, the following motion was rendered:

**Recommendation on the request of John R. Doyle request for a Map Amendment from A/R to R:** Commissioner Joel Pugh made a motion to recommend approval of John R. Doyle's request for a Map Amendment to the Official Zoning Map of Smyth County, Virginia, for approximately 8 acres beside 287 Fox Valley Road in Marion from Agricultural/Rural to Residential (a portion of Tax Map No. 55-A-16). Commissioner David Spence seconded the motion and the following vote was recorded.

Vote: 6 yeas Sparks, Spence, Wagoner, Shepherd, Pugh, and Davidson Jr.  
1 excused Doyle

January 30, 2017

**RE: Extension and Amendment of the APCo Agreement for Electric General Service between APCo and Local Governments and Other Political Subdivisions**

As a member of the Virginia Municipal League (VML) or Virginia Association of Counties (VACo), your costs for electric service are subject to a contract with Appalachian Power Company (APCo). This contract is periodically updated and renegotiated on your behalf by the VML/VACo/APCo Steering Committee.

Enclosed please find the extension and amendment of the Virginia Public Authorities agreement, Exhibit A (Public Authority Tariff 17), Exhibit B (VA. S.C.C. Tariff No. 25 Outdoor Lighting), Exhibit C (Public Authority Tariff 17a) and Exhibit D (Net metering Service Rider – Public Authority Tariff No. 17(b)) which is effective February 1, 2017.

As previously noticed by the VML/VACo/APCo Steering Committee, the enclosed agreement has been approved by said committee following months of extensive negotiations with its legal counsel and financial consultants.

Please have the appropriate individual from your organization sign both copies of the agreements (included) and return both originals to my attention at the above address. I will return a signed original back to you for your records.

Please call me at (804) 698-5540 or Janice Venable of my office at (804) 698-5521 with any questions or concerns.

Regards,



William K. Castle  
Director, Regulatory Services VA/TN

Enclosures

cc: Mr. Robert D. Perrow, Esq.

**VIRGINIA PUBLIC AUTHORITIES**  
**AGREEMENT FOR THE PURCHASE OF ELECTRICITY FROM**  
**APPALACHIAN POWER COMPANY**

THIS AGREEMENT entered into this \_\_\_\_ day of [February], 2017, by and between APPALACHIAN POWER COMPANY, hereinafter called the "Company," and \_\_\_\_\_, hereinafter called the "Customer."

**WITNESSETH:**

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

**FIRST:      Provision of Electric Service**

The Company agrees to furnish to the Customer, and the Customer agrees to take from the Company, subject to the terms and conditions of this Agreement, all the electric energy of the character specified herein that shall be purchased by the Customer.

**SECOND:     Rates**

- (a) The rates at which the Company shall furnish the electric service to be provided under this Agreement shall be as set forth in Public Authority Tariff No. 17, which is attached to and made part of this Agreement as "Exhibit A" Public Authority Tariff No. 17, and which may be amended and updated from time to time pursuant to the provisions of this Agreement. As of the date of this Agreement, the "Exhibit A" attached hereto and made a part hereof, which is entitled "Public Authority Tariff No. 17", consists of the following Schedules:

**PUBLIC AUTHORITY TARIFF NO.17**

SCHEDULE S.G.S.P.A.	Small General Service Public Authority
SCHEDULE M.G.S.P.A.	Medium General Service — Public Authority
SCHEDULE G.S.P.A.	General Service — Public Authority
SCHEDULE G.S.-T.O.D.P.A.	General Service Time-of-Day — Public Authority
SCHEDULE L.G.S.P.A.	Large General Service — Public Authority
SCHEDULE L.G.S.T.O.D.P.A.	Large General Service Time of Day — Public Authority
SCHEDULE L.P.S.P.A.	Large Power Service — Public Authority
SCHEDULE A.F.S.- P.A.	Alternate Feed Service — Public Authority

RIDER F.F.R. — P.A.	Fuel Factor Rider — Public Authority
RIDER S.U.T.-PA	Sales and Use Tax Rider—Public Authority
RIDER E.R.C.R.S.-P.A.	Environmental and Reliability Cost Recovery Surcharge-Public Authority
RIDER E-R.A.C.-P.A.	Environmental Rate Adjustment Clause Rider- Public Authority
RIDER R.P.S. — R.A.C.-P.A.	Renewable Portfolio Standard Rate Adjustment Clause Rider-Public Authority
RIDER G-R.A.C.-P.A.	Generation Rate Adjustment Clause Rider-Public Authority
RIDER P.A.S.-P.A.	Public Authority Surcredit
RIDER P.A.-S.L.	Rate Adjustment Clause-Public Authority-Street Lights
RIDER T-R.A.C.-P.A.	Transmission Rate Adjustment Clause Rider-Public Authority
RIDER DR-R.A.C.	Demand Response Adjustment Clause Rider

The Customer and Company understand and agree that, except for Rider P.A.S.-P.A. (Public Authority Surcredit), the rates contained in Exhibit A match the rates contained in the Company's corresponding unbundled Standard Rate Schedules ("Corresponding Schedules"), currently on file and approved by the Virginia State Corporation Commission ("SCC"). Throughout the Term of this Agreement, the rates shown in "Exhibit A" shall be adjusted at the same time as the Corresponding Schedules to reflect the following: 1.) any changes to existing rates including, but not limited to, changes in base rates, fuel factor rates, and rate adjustment clauses approved by the SCC; and 2.) any new riders, surcharge factors, or rate adjustment clauses approved by the SCC, including, if approved, Optional Rider REO.

- (b) The rates in "Exhibit A" of this Agreement include a Public Authority Surcredit, which shall be as set forth in Rider P.A.S.-P.A. The surcredit factors set out in Rider P.A.S.-P.A. shall be applied to the kilowatt hours ("kWh") consumed by Customer on a monthly basis. From February 1, 2017 through June 30, 2018, the surcredit factor shall be \$0.00244/kwh (the "2016-18 Surcredit Factor"), which was derived by dividing \$2,217,000 by the kWh consumption of all Public Authority customers (excluding SL consumption) for the 17 month period of February 1, 2015 — June 30, 2016 (908,432,229 kWh). The \$2,217,000 amount used in Rider P.A.S.-P.A. consists of \$217,000 of total revenue refund related to 2012 and 2013 consumption and \$2,000,000 in reduced revenue requirement applicable to the other Public Authority rates in Exhibit A of this agreement.

For the third and fourth years of this Agreement, from July 1, 2018, through June 30, 2020, the annual surcredit factor in Rider P.A.S.-P.A.

shall be derived by dividing \$2.0 million, adjusted for any over or under recovery of the "2016-18 Surcredit Factor", by the kWh consumption of all Public Authority customers (excluding SL consumption) for the 24 month period of January 1, 2016 — December 31, 2017 (the "2018-20 Surcredit Factor"). The \$2,000,000 used in Rider P.A.S. is a reduced revenue requirement applicable to the other Public Authority rates in Exhibit A of this agreement.

At the conclusion of the Term, any remaining surcredit balance will be remitted in a form agreeable to both Customer and Company.

Within 30 days of the end of each of both the second and fourth years of the Agreement, the Company will provide a representative of the Public Authority customer group with support for the calculation of the 2016-18 Surcredit Factor and the 2018-20 Surcredit Factor to be included in Rider P.A.S.-P.A.

- (c) Outdoor lighting service will be furnished in accordance with the monthly rates, hours of lighting, and ownership of facilities provisions of Schedule 01., or any successor or replacement thereto (hereinafter referred to as Schedule O.L.), as contained in the Company's tariff then on file with the SCC. A copy of the Company's current Schedule O.L. is attached as "Exhibit B."

**THIRD: Term**

The initial Term of this Agreement shall be for four (4) years commencing on July 1, 2016 and extending through June 30, 2020. In the event that a new contract, or an extension of this Agreement, has not been consummated by July 1, 2020, Customer shall continue to pay the rates contained in "Exhibit A" and "Exhibit B," adjusted at the same time as the Corresponding Schedules are adjusted to reflect any changes to any existing rates including, but not limited to, changes in base rates, fuel factor rates, and rate adjustment clauses approved by the SCC, and any new riders, surcharge factors, or rate adjustment clauses approved by the SCC, until negotiations are concluded and a new agreement becomes effective; provided, however, that the 2018-20 Surcredit Factor contained in Rider P.A.S.-P.A. on June 30, 2020, shall not continue.

**FOURTH: Voltage and Electrical Characteristics**

The electric energy delivered hereunder shall be alternating current. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency, and it shall be measured by a meter or meters owned and installed by the Company. The Company shall endeavor to supply electricity such that the variation from nominal voltage to minimum voltage will not exceed 7.5% of the nominal voltage and the variation from nominal voltage to maximum

voltage will not exceed 7.5% of the nominal voltage. The Company shall not be responsible for variations in voltage in excess of those specified above arising from causes beyond the control of the Company.

**FIFTH: Metering and Service Points**

Normally, the Company will provide one service from its distribution system and all of the electricity supplied to an installation will be measured by one meter, but the Company may, at its option, provide as many services and meters as it may deem practicable.

When such multiple services and meters are so used, separate bills will be rendered for each metered installation. The electricity will be delivered to such point as may be designated by the Company on the premises occupied by the Customer and shall be used only by the Customer and upon the premises occupied by the Customer.

For the purpose of this Agreement, an "installation" means a delivery point, building, part of a building, or group of buildings located in such close proximity to each other as to constitute one operating unit occupied by the Customer.

The Company will supply the electricity required by the Customer during the Term of this Agreement at such additional installations, beyond those being served by the Company as of the effective date of this Agreement, as may, from time to time, be requested in writing by an authorized representative of the Customer. All services furnished to such additional installations shall be governed by the provisions of this Agreement as if such additional installations were being served as of the effective date of this Agreement. Service will be supplied at a single voltage considered by the Company to be standard for the area in which electricity is requested and will be available for general service to municipal corporations and state governmental entities and their agencies, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§ 56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia.

**SIXTH: Extension of Service - Overhead**

The Company will make extensions or expansions of its overhead facilities in accordance with the following provisions:

The Company will supply and meter service at one delivery point through overhead facilities of a kind and type of transmission or distribution line or substation equipment normally used by the Company. Whenever the Customer requests the Company to supply electricity in a manner which requires equipment or facilities other than those which the Company would normally provide, the Customer will pay the Company a Contribution in Aid of Construction ("CIAC")

equal to the additional cost of all such special equipment or facilities. The Customer shall reimburse the Company for all state and federal income taxes associated with this and any other CIAC required by this Agreement. The CIAC described above will be in addition to any other CIAC obligation of the Customer required under the remaining provisions of this Agreement.

The Company will, for single phase service for new loads up to and including 25 KW estimated demand, extend service not more than 150 feet from existing secondary facilities of 300 volts or less having adequate capacity, at no charge to the Customer. Extensions of facilities for service which do not meet each of the above criteria will be provided pursuant to the remaining provisions of this Section.

For service delivered to estimated new loads above 25 KW or for extensions for loads 25 KW or less not meeting all of the criteria covered in the previous paragraph, the Company may require a CIAC prior to the extension or expansion of its facilities based upon an analysis of the economic justification of making such extensions or expansions. Economic justification will be based upon a comparison of the annual cost to the Company and the increase in annual base rate non-fuel revenue. Annual cost to the Company equals the additional investment in local facilities to serve the new load times the Company's monthly carrying charge rate of 1.13 %; the increase in annual base rate revenue equals the annual revenue from the estimated increase in the Customer's power consumption, exclusive of the fuel component of rates. If the estimated increase in annual base rate revenue is less than the annual cost to the Company of the extended or expanded facilities, the Customer will be required to pay the Company a CIAC equal to the annual cost to the Company less the increase in annual base rate revenue from the extension, divided by the Company's annual carrying charge rate. If the increase in annual base rate revenue is equal to or greater than the annual cost to the Company, the extension or expansion of facilities will be provided at no charge to the Customer.

If the Company has reason to question: (1) the financial stability of the Customer requesting an extension or expansion of service, or (2) the duration of the Customer's electric service requirements, or (3) if the Customer's service requirements are seasonal or temporary, or (4) if the Customer requires special facilities to meet the Customer's service requirements, the Company may, at its option, in addition to imposing a CIAC as determined under the provisions of this Section, (a) require the Customer to execute the Advance and Refund Line Extension Agreement and/or (b) require a special minimum charge or definite and written guarantee from the Customer in addition to any minimum payment required by this Agreement.

If, at any time, the financial condition of the Company is such that it cannot issue debt securities necessary to pay for the construction of new facilities, the Company may require from the Customer a CIAC and/or extension by the



Customer of the Advance and Refunds Agreement to cover the total cost of tapping existing transmission or distribution lines and increasing existing station capacity and new facilities required to serve new or increased loads. The Company will advise the Virginia State Corporation Commission when this condition exists.

If the SCC approves a change in the extension of service provisions applicable to the unbundled Standard Rate Schedules that correspond to the Schedules in "Exhibit A," or any successor or replacement thereto, then the Parties agree that any such change shall be incorporated herein as of its effective date.

**SEVENTH: Extension of Service — Underground**

Underground service and facilities will be provided by the Company upon payment to the Company of a CIAC in an amount equal to the sum of (1) the difference between the estimated cost of the underground facilities and the estimated cost of overhead facilities that otherwise would have been required, and (2) the amount as determined by the SIXTI-I Section above using the cost of equivalent overhead facilities. Should the estimated cost of underground facilities be less than the estimated cost of overhead facilities that would otherwise be required, then the terms of this Agreement relating to overhead extension of service will apply. In addition to the estimated costs described above, the Customer shall pay the actual cost incurred by the Company for the following abnormal conditions:

1. If streets, curbs, driveways, or other obstructions have been installed prior to the installation of the underground facilities, or if terrain conditions, slope of easement, or depth of trench required to eliminate potential conflicts with anticipated grade cuts, render an easement strip unusable by trenchers normally utilized by the Company or its contractors, then Customer shall pay a CIAC equal to all additional costs incurred by the Company as a result of these requirements or abnormal conditions.
2. If rock, shale, or other such conditions are encountered, then the Customer shall pay a CIAC for the additional costs incurred by the Company in excess of the labor costs the Company would have otherwise incurred to trench and backfill, in the absence of such abnormal conditions.

**EIGHTH: Extension of Service - Temporary**

The Company will supply electricity for construction purposes, within areas normally served by the Company, to loads of a temporary nature upon payment by the Customer of a temporary service charge equal to the nonrecoverable estimated cost of temporary facilities required to serve the Customer, plus the cost of removing the facilities.

**NINTH: Payment**

Bills are due upon receipt and payable by mail, checkless payment plan, electronic payment plan or at authorized payment centers of the Company by the next bill date. On all accounts not so paid, a delayed payment charge of one and one-half percent (1 1/4 %) per month will be applied to any outstanding account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. It is the responsibility of the Customer to notify the Company of any billing address changes. Such changes shall be made by the Customer to the Company at the following address:

**Appalachian Power Company  
Customer Services & Marketing - Room 405  
P.O. Box 2021  
Roanoke, VA 24022-2121**

**TENTH Conditions of Service**

**(a) Inspection**

The Customer shall properly install and maintain its wiring and electrical equipment, and it shall at all times be responsible for the character and condition thereof. The Company is not required to inspect such wiring or electrical equipment. The Company and Customer agree that the Company shall neither be responsible for such wiring or electrical equipment, nor liable for any damages to persons or property caused by such wiring or equipment.

**(b) Service Connections**

The Company shall not be required to obtain easements or permits over or under the property of another necessary for service if the terms thereof are unduly burdensome. The Company shall not be required to provide electric service until a reasonable time has elapsed after the Company has obtained or received all suitable permits, certificates and easements.

If requested, the Customer shall supply the Company with drawings and specifications covering the plot and structures requiring electric service. The Company shall not be obligated to provide electric service until the Customer has properly prepared the site for installation of the Company's facilities.

The Company will, when requested to furnish service, designate the location of the service connection. The Customer's wiring must, for an overhead secondary service, be brought outside the building wall nearest

the Company's service wires so as to be readily accessible thereto. In this case, the Customer's wiring must extend at least 18 inches beyond the building. In all other cases, the Company and the Customer will mutually designate a point of delivery best suited to the Customer's and the Company's facilities.

If the Customer desires that energy be delivered at a point or in a manner other than that designated by the Company, the Customer shall pay a CIAC reimbursing the Company for the additional costs of providing such service.

The Company will not furnish, install or replace service entrance cable.

(c) Relocation of Company's Facilities at Customer's Request

Whenever, at the Customer's request, the Company's facilities located on the Customer's premises, for provision of service under this agreement, are relocated to suit the convenience of the Customer, the Customer shall reimburse the Company for the entire cost incurred in making such relocation.

(d) Company's Liability

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but does not guarantee uninterrupted service. The Company shall not be liable for damages or injury to persons or property in the event such supply is interrupted or fails by reason of an act of God, a public enemy, accidents, strikes or labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines, or other facilities of the Company, extraordinary repairs, or any other occurrence beyond the Company's control, or any act of the Company to interrupt service to any customer whenever in the judgment of the Company such interruption is necessary to prevent or limit any instability or disturbance on the electric system of the Company or any electric system interconnected with the Company.

Unless otherwise provided in a contract between the Company and the Customer, the point at which service is delivered by the Company to the Customer, to be known as "delivery point," shall be the point at which the Customer's facilities are connected to the Company's facilities. The Company shall not be liable for any loss, injury, or damage resulting from the Customer's use of its equipment or its use of the energy furnished by the Company beyond the delivery point.

The Customer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from

single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

The Company will provide and maintain the necessary line or service connections, transformers, meters and other apparatus which may be required for the proper measurement of and protection of its service. All such apparatus shall be and remain the property of the Company.

(e) Customer's Liability

In the event of loss or injury to the Company's property through misuse by, or the negligence of, the Customer, or the Customer's agents or employees, the Customer shall be obligated for and shall pay to the Company the full cost of repairing or replacing such property. The Customer shall be responsible for the entire cost incurred in relocating a Company pole if the Customer jeopardizes the integrity of the pole.

The Customer and the Customer's agents and employees shall not tamper with, interfere with or break the seals of any meters used by the Company, regardless of ownership, or any Company-owned equipment installed on the Customer's premises, and the Customer assumes all liability for the consequences thereof. The Customer hereby agrees that no one, except the agents and the employees of the Company shall be allowed to make any internal or external adjustments to any installed meter used by the Company, regardless of ownership, or any other piece of apparatus which belongs to the Company.

The Company shall have the right at all reasonable hours and in emergencies to enter the premises of the Customer for the purpose of installing, reading, removing, testing, repairing, replacing or otherwise disposing of meters used by the Company, regardless of ownership and all Company owned apparatus and property. The Company shall have the right to discontinue electric service if such access at any time is not provided. The Company shall also have the right to remove any or all of the Company's property in the event of the termination of this Agreement for any reason.

(f) Location and Maintenance of Company's Equipment

In order to provide service to the Customer, the Company shall have the right to construct its poles, lines and circuits on the Customer's property and to place its transformers and other apparatus on the property or within the buildings of the Customer, at a point or points convenient for such purpose.

The Customer shall provide suitable space for the installation of necessary measuring instruments at an outside location, where practicable, designated by the Company, so that such instruments will be protected from injury by the elements or through the negligence or deliberate acts of the Customer, its agents and employees. Such space for measuring instruments should be unobstructed, readily accessible, and safe and convenient for reading, testing and servicing by the Company. Such permission, however, shall not be deemed in any manner to amount to a franchise awarded pursuant to the Constitution and the laws of the Commonwealth of Virginia, nor abridge the Customer's continuing exercise of its police power over the public streets, alleys and other public places.

(g) Use of Energy by Customer

The Customer may not change from one PA Schedule to another PA Schedule during the Term of the contract except with the consent of the Company.

The service connections, transformers, meters and appliances supplied by the Company for the Customer have a definite capacity; no additions to the equipment, or load connected thereto, shall be allowed except by consent of the Company.

The Customer shall install only motors, apparatus or appliances which are suitable for operation in connection with the character of the service supplied by the Company, and which shall not be detrimental to the Company's supply of electricity to other customers. The electric power shall not be used in such a manner as to cause unwarranted voltage fluctuations or disturbances in the Company's transmission or distribution systems. The Company shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service.

The operation of certain electrical equipment can result in disturbances (e.g., voltage fluctuations, harmonics, etc.) on the transmission and distribution systems which can adversely impact the operation of equipment for other customers. Customer is expected to abide by industry standards, such as those contained in ANSI/IEEE 519 or the IEEE/GE voltage flicker criteria, when operating such equipment. The Company may refuse or disconnect service to Customer for using electricity or equipment which adversely affects service to other customers. Copies of the applicable criteria will be provided upon request.

The Customer shall make no attachment of any kind whatsoever to the Company's lines, poles, crossarms, structures or other facilities without the express written consent of the Company.

All apparatus used by the Customer shall be designed, maintained and operated, so as to secure the highest practicable commercial efficiency and power factor, and the proper balancing of phases. Motors which are frequently started or which are arranged for automatic control shall be designed in a manner which gives maximum starting torque with minimum current flow, and shall be equipped with controlling devices approved by the Company. The Customer shall give reasonable notification to the Company of any anticipated increases or decreases in its connected load to prevent operating problems with the Company's facilities.

The Customer shall not be permitted to operate its own generating equipment in parallel with the Company's service except with the express written consent of the Company.

The resale of energy provided to the Customer by the Company under this Agreement is not permitted.

**ELEVENTH: Generation**

The Customer represents and agrees that (1) it has chosen the Company to provide generation service through the duration of this Agreement; and 2) it will not choose a different generation supplier to begin providing service prior to June 30, 2020. After June 30, 2020, the parties' rights and responsibilities regarding generation service shall be as provided by applicable law and regulation, except to the extent otherwise agreed by the parties.

**TWELFTH: Net Metering Program**

If the Customer takes service from the Company under a rate schedule that includes an on-peak demand charge, the Customer can participate in the Company's net metering program pursuant to the terms of Rider N.M.S. P.A. (Exhibit D) provided the total installed capacity of customer generation does not exceed three (3) megawatts.

**THIRTEENTH: Additional Terms and Conditions**

- (a) In no event shall any officer or agent of the Customer executing or authorizing the execution of this Agreement be held personally liable on account of such authorization or execution.

- (b) This Agreement shall be binding upon the Company only when accepted by it and approved by its proper official, and shall not be modified by any promise, agreement, or representation of any agent or employee of the Company unless incorporated in writing in this Agreement before such acceptance.
- (c) The obligations of the Company and the Customer for service under this Agreement are subject to appropriations by Customer's governing body to pay for such service.
- (d) The following exhibits are attached hereto and made a part hereof:
  - 1. Exhibit A — Public Authority Tariff No. 17
  - 2. Exhibit B — The Company's current Virginia Schedule O.L.
  - 3. Exhibit C — Street Lighting - Public Authority-P.A. Tariff No. 17(a)
  - 4. Exhibit D — Net Metering Service Rider — Public Authority Tariff No. 17 (b).

In accordance with the provisions of other Sections of this Agreement, Exhibits A through D shall be updated or revised, from time to time, during the Term of this Agreement.

- (e) By the end of the second quarter of 2017, the Company and the Public Authority customer group will begin negotiating the appropriate methodology for the rates to be effective on and after July 1, 2020.
- (f) On or before March 31, 2020, the Company will provide one representative of the Public Authority customer group, as designated by the Executive Directors of the Virginia Municipal League and the Virginia Association of Counties, with aggregate Public Authority load data, as well as a Public Authority, and a Public Authority Street Lighting, cost-of-service analysis for the years 2018 and 2019. ("2018-19 Cost-of-Service Analysis").
- (g) On or before May 15, 2020, the Public Authority customer group agrees to provide to the Company its review of the 2018-19 Cost-of-Service Analysis.
- (h) The Public Authority customer group and the Company agree to use their best efforts, in good faith, to renegotiate, on a cost-of-service basis, fair and reasonable rates and terms, for the extension of this Agreement beyond June 30, 2020. In connection with such renegotiation, the Company and Customer agree to utilize the Company's most recent return

on equity, and Off-System Sales margin sharing, as approved by the SCC in the Company's most proceedings.

- (i) This Agreement shall not be sold, assigned, or transferred by the Company to any other entity, including an affiliate of the Company, without the express written consent of the Customer; provided, however, that such permission shall not be unreasonably withheld by the Customer.
- (j) There are no unwritten understandings or agreements relating to the electric service to be provided under this Agreement.
- (k) Each party to this Agreement represents and warrants that it has all authorizations necessary for it to legally enter into and perform its obligations under this Agreement,
- (l) This Agreement cancels and supersedes all previous agreements relating to the purchase by the Customer and sale by the Company of electric energy at the Customer's premises covered by this Agreement,

CUSTOMER: \_\_\_\_\_

**APPALACHIAN POWER COMPANY**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



**APPALACHIAN POWER COMPANY**

**Sheet No. 1-1**

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE S.G.S. P.A.  
(Small General Service – Public Authority)**

**AVAILABILITY OF SERVICE**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, with normal maximum electrical capacity requirements of 25 kW or less per month who take Public Authority Service from the Company.

When a customer being served under this Schedule exceeds a normal maximum metered demand of 25 kW per month for more than two (2) months during the past twelve (12) months, the customer will be placed on the appropriate Public Authority Schedule.

**MONTHLY RATE (Schedule Code 232 – Secondary Voltage; Schedule Code 235 – Primary Voltage)**

	Generation	Transmission	Distribution	Total
Customer Charge (\$)	--		10.25	10.25
Energy Charge (¢/kWh)	3.992	0.581	1.460	6.033

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

**MINIMUM CHARGE**

This Schedule is subject to a minimum monthly charge equal to the Basic Service Charge.

**PAYMENT**

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1½% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

APPALACHIAN POWER COMPANY

Sheet No. 1-2

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE S.G.S. P.A.  
(Small General Service -- Public Authority)  
(continued)

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company, such as electric thermal storage space heating and/or cooling systems and water heaters, which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours. A time-of-day meter is required to take service under this provision.

Customers who desire to separately wire their energy storage load to a time-of-day meter and their general-use load to a standard meter shall receive service under the appropriate provisions of the Public Authority Schedule.

Monthly Rate:

	Generation	Transmission	Distribution	Total
Basic Service Charge (\$)	--		10.80	10.80
Energy Charge (¢/kWh)				
All metered kWh during the on-peak billing period	7.516	1.193	2.099	10.808
All metered kWh during the off-peak billing period	1.285	0.104	0.805	2.194

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

For the purpose of this provision, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

The Company reserves the right to inspect at all reasonable times the energy storage devices which qualify for service under this provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that, in its sole judgment, the availability conditions of this provision are being violated; it may discontinue billing the customer under this provision and commence billing under the appropriate Public Authority Schedule.

This provision is subject to the Terms and Conditions of Schedule S.G.S. P.A.

APPALACHIAN POWER COMPANY

Sheet No. 1-3

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE S.G.S. P.A.  
(Small General Service – Public Authority)  
(continued)

**OPTIONAL UNMETERED SERVICE PROVISION (Schedule Code 212)**

This provision is no longer available to customers. Customers currently taking service under this provision can remain.

Available to customers who qualify for Schedule S.G.S. P.A. and use the Company's service for small fixed electrical loads such as traffic signals and signboards which can be served by a standard service drop from the Company's existing secondary distribution system. This service will be furnished at the option of the Company.

Each separate service delivery point shall be considered a location and shall be separately billed under the service agreement. In the event one customer has several accounts for like service, the Company may meter one account to determine the appropriate kilowatt-hour usage applicable to each of the accounts.

The customer shall furnish switching equipment satisfactory to the Company. The customer shall notify the Company in advance of every change in connected load, and the Company reserves the right to inspect the customer's equipment at any time to verify the actual load. In the event of the customer's failure to notify the Company of an increase in load, the Company reserves the right to refuse to serve the location thereafter under this provision, and shall be entitled to bill the customer retroactively on the basis of the increased load for the full period such load was connected plus three months.

Calculated energy use per month shall be equal to the capacity specified for the location times the number of days in the billing period times the specified hours of operation. Such calculated energy shall then be billed at the following monthly rate:

	Generation	Transmission	Distribution	Total
Basic Service Charge (\$)	--		5.75	5.75
Energy Charge (¢/kWh)	3.992	0.581	1.460	6.033

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

This provision is subject to the Terms and Conditions of Schedule S.G.S. P.A.

APPALACHIAN POWER COMPANY

Sheet No. 2-1

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE M.G.S. P.A.  
(Medium General Service – Public Authority)

AVAILABILITY OF SERVICE

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company with normal maximum electrical capacity requirements exceeding 25 kW per month, but less than 1,000 kW per month.

When a customer being served under this Schedule establishes or exceeds a normal maximum metered demand of 1,000 kW per month for more than two (2) months during the past twelve (12) months, the customer will be placed on the appropriate L.P.S.- P.A. Schedule. When a customer being served under this Schedule establishes metered demands of 25 kW or less per month for ten (10) or more months during the past twelve (12) months, the customer will be placed on the appropriate general service P.A. Schedule.

MONTHLY RATE

Schedule Code		Generation	Transmission	Distribution	Total
216	<b>Secondary Voltage:</b>				
	Basic Service Charge (\$)	--		13.00	13.00
	Demand Charge (\$/kW)	2.24	0.35	1.01	3.60
	Off-Peak Excess Demand Charge (\$/kW)	0.22	0.15	0.50	0.87
	Energy Charge (¢/kWh)	3.348	0.565	1.230	5.143
	Maximum Energy Charge (¢/kWh)	13.885	0.000	6.115	20.000
218	<b>Primary Voltage:</b>				
	Basic Service Charge (\$)	--		75.00	75.00
	Demand Charge (\$/kW)	2.18	0.34	0.60	3.12
	Off-Peak Excess Demand Charge (\$/kW)	0.21	0.15	0.12	0.48
	Energy Charge (¢/kWh)	3.245	0.545	0.747	4.537
	Maximum Energy Charge (¢/kWh)	15.710	0.000	4.290	20.000
245	<b>Subtransmission Voltage:</b>				
	Basic Service Charge (\$)	--		175.00	175.00
	Demand Charge (\$/kW)	2.14	0.33	0.00	2.47
	Off-Peak Excess Demand Charge (\$/kW)	0.21	0.14	0.00	0.35
	Energy Charge (¢/kWh)	3.203	0.538	0.000	3.741
	Maximum Energy Charge (¢/kWh)	20.000	0.000	0.000	20.000

**APPALACHIAN POWER COMPANY**

Sheet No. 2-2

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE M.G.S. P.A.  
(Medium General Service – Public Authority)  
(continued)**

**MONTHLY RATE (Cont'd)**

Schedule Code		Generation	Transmission	Distribution	Total
	<b>Transmission Voltage:</b>				
	<b>Basic Service Charge(\$)</b>	--		320.00	320.00
	<b>Demand Charge (\$/kW)</b>	2.11	0.33	0.000	2.440
	<b>Off-Peak Excess Demand Charge (\$/kW)</b>	0.21	0.14	0.000	0.350
	<b>Energy Charge (¢/kWh)</b>	3.159	0.532	0.000	3.691
	<b>Maximum Energy Charge (¢/kWh)</b>	20.000	0.000	0.000	20.000

Applicable to customers 300 kW or greater:

Reactive Demand Charge for each KVAR of leading or lagging reactive demand in excess of 50% of the kW metered demand . . . \$0.75 per KVAR

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand consumed is subject to all applicable riders and surcharges.

**MINIMUM CHARGES**

Bills computed under the above rate are subject to the operation of a Minimum Charge provision as follows:

For demand accounts up to 100 kW - the Basic Service Charge and all applicable adjustments.

For demand accounts over 100 kW - the sum of the Basic Service Charge, the product of the Demand Charge and the monthly billing demand, and all applicable adjustments.

**PAYMENT**

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1½% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

APPALACHIAN POWER COMPANY

Sheet No. 2-3

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE M.G.S. P.A.  
(Medium General Service – Public Authority)  
(continued)

MEASUREMENT AND DETERMINATION OF BILLING DEMAND

The billing demand in kW shall be taken each month as the single highest 15-minute peak in kW as registered during the month by a demand meter or indicator.

For accounts over 100 kW, the monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's contract capacity in excess of 100 kW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 kW.

For accounts 300 kW or greater, the reactive demand in KVAR shall be taken each month as the single highest 15-minute peak in KVAR as registered during the month by a demand meter or indicator.

Billing demands shall be rounded to the nearest whole kW and KVAR.

OPTIONAL TIME-OF-DAY PROVISION

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay any necessary additional metering cost.

For the purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

For the purpose of this provision, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

METERED VOLTAGE ADJUSTMENT

The rates set forth in this Schedule are based upon delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh, kW and KVAR will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

TERM

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

The Company may, at its option, require customers to contract for a definite amount of electrical capacity sufficient to meet normal maximum requirements.

The Company shall not be required to supply capacity in excess of that contract capacity except by mutual agreement.

SPECIAL TERMS AND CONDITIONS

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2009.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

APPALACHIAN POWER COMPANY

Sheet No. 3-1

PUBLIC AUTHORITY TARIFF NO. 17  
SCHEDULE G.S.P.A.  
(General Service-Public Authority)

AVAILABILITY OF SERVICE

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company with normal maximum electrical capacity requirements exceeding 25 kW per month, but less than 1,000 kW per month.

When a customer being served under this Schedule establishes or exceeds a normal maximum metered demand of 1,000 kW per month for more than two (2) months during the past twelve (12) months, the customer will be placed on the Large Power Service (Schedule L.P.S.-P.A.) rate schedule and required to contract for such capacity requirements. When a customer being served under this Schedule establishes metered demands of 25 kW or less per month for ten (10) or more months during the past twelve (12) months, the customer will be placed on the on the appropriate general service P.A. Schedule.

MONTHLY RATE

Schedule Code		Generation	Transmission	Distribution	Total
262	<b>Secondary Voltage:</b>				
	Basic Service Charge (\$)			13.00	13.00
	Demand Charge (\$/kW)	2.24	0.35	1.01	3.60
	Off-Peak Excess Demand Charge (\$/kW)	0.22	0.00	0.50	0.72
	Energy Charge (¢/kWh)				
Block 1	For all kWh equal to or less than 275 kWh per kW of billing demand	3.297	0.591	1.353	5.241
Block 2	All kWh in excess of 275 kWh per kW of billing demand	1.231	0.149	0.519	1.899
	Maximum Energy Charge (¢/kWh)	13.885	0.000	6.115	20.000
264	<b>Primary Voltage:</b>				
	Basic Service Charge(\$)			75.00	75.00
	Demand Charge (\$/kW)	2.18	0.34	0.60	3.12
	Off-Peak Excess Demand Charge (\$/kW)	0.21	0.00	0.12	0.33
	Energy Charge (¢/kWh)				
Block 1	For all kWh equal to or less than 275 kWh per kW of billing demand	3.194	0.559	0.870	4.623
Block 2	All kWh in excess of 275 kWh per kW of billing demand	1.200	0.141	0.365	1.706
	Maximum Energy Charge (¢/kWh)	15.710	0.000	4.290	20.000
266	<b>Subtransmission Voltage:</b>				
	Basic Service Charge(\$)			175.00	175.00
	Demand Charge (\$/kW)	2.14	0.33	0.00	2.47
	Off-Peak Excess Demand Charge (\$/kW)	0.21	0.00	0.00	0.21
	Energy Charge (¢/kWh)				
Block 1	For all kWh equal to or less than 275 kWh per kW of billing demand	3.152	0.537	0.000	3.689
Block 2	All kWh in excess of 275 kWh per kW of billing demand	1.178	0.135	0.000	1.313
	Maximum Energy Charge (¢/kWh)	20.000	0.000	0.000	20.000

APPALACHIAN POWER COMPANY

Sheet No. 3-2

PUBLIC AUTHORITY TARIFF NO. 17  
SCHEDULE G.S.P.A.  
(General Service-Public Authority)

MONTHLY RATE (Cont'd)

Schedule Code		Generation	Transmission	Distribution	Total
268	Transmission Voltage:				
	Basic Service Charge(\$)			320.00	320.00
	Demand Charge (\$/kW)	2.11	0.33	0.00	2.44
	Off-Peak Excess Demand Charge (\$/kW)	0.21	0.00	0.00	0.21
	Energy Charge (¢/kWh)				
Block 1	For all kWh equal to or less than 275 kWh per kW of billing demand	3.108	0.532	0.000	3.640
Block 2	All kWh in excess of 275 kWh per kW of billing demand	1.161	0.134	0.000	1.295
	Maximum Energy Charge (¢/kWh)	20.000	0.00	0.000	20.000

Applicable to customers 300 kW or greater:

Reactive Demand Charge for each KVAR of leading or lagging reactive demand in excess of 50% of the kW metered demand . . . \$0.75 per KVAR

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand billed is subject to all applicable riders and surcharges.

MINIMUM CHARGES

Bills computed under the above rate are subject to the operation of a Minimum Charge provisions as follows:

For demand accounts up to 100 kW - the Basic Service Charge and all applicable adjustments.

For demand accounts over 100 kW - the sum of the Basic Service Charge, the product of the Demand Charge and the monthly billing demand, and all applicable adjustments

PAYMENT

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1½% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

MEASUREMENT AND DETERMINATION OF BILLING DEMAND

The billing demand in kW shall be taken each month as the single highest 15-minute peak in kW as registered during the month by a demand meter or indicator.

For accounts over 100 kW, the monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's contract capacity in excess of 100 kW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 kW.

For accounts 300 kW or greater, the reactive demand in KVAR shall be taken each month as the single highest 15-minute peak in KVAR as registered during the month by a demand meter or indicator.

Billing demands shall be rounded to the nearest whole kW and KVAR



APPALACHIAN POWER COMPANY

Sheet No. 3-3

**PUBLIC AUTHORITY TARIFF NO. 17  
SCHEDULE G.S.P.A.  
(General Service-Public Authority)**

**OPTIONAL TIME-OF-DAY PROVISION**

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay any necessary additional metering cost.

For the purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

For the purpose of this provision, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**METERED VOLTAGE ADJUSTMENT**

The rates set forth in this Schedule are based upon delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh, kW and KVAR will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

The Company may, at its option, require customers to contract for a definite amount of electrical capacity sufficient to meet normal maximum requirements.

The Company shall not be required to supply capacity in excess of that contract capacity except by mutual agreement.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

**APPALACHIAN POWER COMPANY**

Sheet No. 4-1

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE G.S.-T.O.D. P.A.  
(General Service Time-of-Day – Public Authority)**

**AVAILABILITY OF SERVICE**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company and are served at the secondary or primary delivery voltage levels with normal maximum demands less than 100 kW.

**MONTHLY RATE**

Schedule Code		Generation	Transmission	Distribution	Total
	<b>Secondary Voltage:</b>				
	Basic Service Charge(\$)	--		14.50	14.50
237	On-peak Energy Charge (\$/kWh)	6.780	1.167	2.225	10.172
238	Off-peak Energy Charge (\$/kWh)	1.408	0.165	1.129	2.702
	<b>Primary Voltage:</b>				
	Basic Service Charge(\$)	--		75.00	75.00
249	On-peak Energy Charge (\$/kWh)	6.577	1.126	2.158	9.861
250	Off-peak Energy Charge (\$/kWh)	1.366	0.159	1.095	2.620

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. For the purpose of this Schedule, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**MINIMUM CHARGE**

This Schedule is subject to a minimum monthly charge equal to the Basic Service Charge.

**PAYMENT**

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1¼% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

APPALACHIAN POWER COMPANY

Sheet No. 4-2

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE G.S.-T.O.D. P.A.  
(General Service Time-of-Day – Public Authority)  
(continued)**

**METERED VOLTAGE ADJUSTMENT**

The rates set forth in this Schedule are based upon delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**SEPARATE METERING PROVISION**

Customers shall have the option of receiving service under the appropriate Public Authority Schedule for general use load by separately wiring such load to the appropriate metering based on the size of the load.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

APPALACHIAN POWER COMPANY

Sheet No. 5-1

**PUBLIC AUTHORITY TARIFF NO. 17**  
**SCHEDULE L.G.S. P.A.**  
**(Large General Service – Public Authority)**

**AVAILABILITY OF SERVICE**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company with maximum electrical capacity requirements exceeding 25 kW, but less than 1,000 kW per month.

When a customer being served under this Schedule establishes or exceeds a normal maximum metered demand of 1,000 kW per month for more than two (2) months during the past twelve (12) months, the customer will be placed on the appropriate L.P.S. P.A. Schedule. When a customer being served under this Schedule establishes metered demands of 25 kW or less per month for ten (10) or more months during the past twelve (12) months, the customer will be placed on the appropriate general service P.A. Standard Schedule.

**MONTHLY RATE**

Schedule Code		Generation	Transmission	Distribution	Total
<b>375</b>	<b>Secondary Voltage:</b>				
	Basic Service Charge(\$)	--		13.00	13.00
	Demand Charge (\$/kW)	7.68	1.37	3.93	12.98
	Off-Peak Excess Demand Charge (\$/kW)	0.77	0.19	1.96	2.92
	Energy Charge (¢/kWh)	1.282	0.142	0.396	1.820
	Maximum Energy Charge (¢/kWh)	13.372	0.000	6.628	20.000
<b>376</b>	<b>Primary Voltage:</b>				
	Basic Service Charge(\$)	--		75.00	75.00
	Demand Charge (\$/kW)	7.48	1.33	2.41	11.22
	Off-Peak Excess Demand Charge (\$/kW)	0.75	0.18	0.49	1.42
	Energy Charge (¢/kWh)	1.251	0.137	0.242	1.630
	Maximum Energy Charge (¢/kWh)	15.220	0.000	4.780	20.000
<b>377</b>	<b>Subtransmission Voltage:</b>				
	Basic Service Charge(\$)	--		175.00	175.00
	Demand Charge (\$/kW)	7.35	1.31	0.00	8.66
	Off-Peak Excess Demand Charge (\$/kW)	0.74	0.18	0.00	0.92
	Energy Charge (¢/kWh)	1.229	0.135	0.000	1.364
	Maximum Energy Charge (¢/kWh)	20.000	0.000	0.000	20.000

APPALACHIAN POWER COMPANY

Sheet No. 5-2

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE L.G.S. P.A.  
(Large General Service – Public Authority)  
(continued)

MONTHLY RATE (Cont'd)

Schedule Code		Generation	Transmission	Distribution	Total
	Transmission Voltage:				
	Basic Service Charge(\$)	--		320.00	320.00
	Demand Charge (\$/kW)	7.24	1.29	0.00	8.53
	Off-Peak Excess Demand Charge (\$/kW)	0.73	0.18	0.00	0.91
	Energy Charge (\$/kWh)	1.212	0.134	0.00	1.346
	Maximum Energy Charge (\$/kWh)	20.000	0.000	0.000	20.000

Applicable to customers 300 kW or greater:

Reactive Demand Charge for each KVAR of leading or lagging reactive demand in excess of 50% of the kW metered demand . . . \$0.75 per KVAR

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand consumed is subject to all applicable riders and surcharges.

MINIMUM CHARGES

Bills computed under the above rate are subject to the operation of a Minimum Charge provisions as follows:

For demand accounts up to 100 kW - the Basic Service Charge and all applicable adjustments.

For demand accounts over 100 kW - the sum of the Basic Service Charge, the product of the Demand Charge and the monthly billing demand, and all applicable adjustments.

PAYMENT

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1½% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

APPALACHIAN POWER COMPANY

Sheet No. 5-3

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE L.G.S. P.A.  
(Large General Service – Public Authority)  
(continued)**

**MEASUREMENT AND DETERMINATION OF BILLING DEMAND**

The billing demand in kW shall be taken each month as the single highest 15-minute peak in kW as registered during the month by a demand meter or indicator.

For accounts over 100 kW, the monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's contract capacity in excess of 100 kW, or (b) the customer's highest previously established monthly billing demand during the past 11 months in excess of 100 kW.

For accounts 300 kW or greater, the reactive demand in KVAR shall be taken each month as the single highest 15-minute peak in KVAR as registered during the month by a demand meter or indicator.

Billing demands shall be rounded to the nearest whole kW and KVAR.

**OPTIONAL TIME-OF-DAY PROVISION**

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay any necessary additional metering cost.

For the purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

For the purpose of this provision, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**METERED VOLTAGE ADJUSTMENT**

The rates set forth in this Schedule are based upon delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh, kW and KVAR will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

The Company may, at its option, require customers to contract for a definite amount of electrical capacity sufficient to meet normal maximum requirements.

The Company shall not be required to supply capacity in excess of that contract capacity except by mutual agreement.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

**APPALACHIAN POWER COMPANY**

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE L.G.S. P.A.  
(Large General Service Time of Day-- Public Authority)**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company with maximum electrical capacity requirements exceeding 100 kW, but less than 1,000 kW per month.

**MONTHLY RATE**

	Generation	Transmission	Distribution	Total
<b>Secondary Voltage (347)</b>				
Basic Service Charge (\$)			14.50	14.50
On-peak Demand Charge (\$/kW)			3.15	3.15
On-peak Energy Charge (¢/kWh)	6.78	1.167	0.000	7.947
Off-peak Energy Charge (¢/kWh)	1.408	0.165	0.000	1.573
<b>Primary Voltage (349)</b>				
Basic Service Charge (\$)			75.00	75.00
On-peak Demand Charge (\$/kW)			0.60	0.60
On-peak Energy Charge (¢/kWh)	6.577	1.126	0.000	7.703
Off-peak Energy Charge (¢/kWh)	1.366	0.159	0.000	1.525

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

For the purpose of this Schedule, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**MINIMUM CHARGE**

This Schedule is subject to a minimum monthly charge equal to the Basic Service Charge.

**PAYMENT**

Bills are due upon presentation. Any amount due and not received by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 1½%. This charge shall not be applicable to local consumer utility taxes.

**MEASUREMENT AND DETERMINATION OF BILLING DEMAND**

The billing demand in kW shall be taken each month as the single highest 15-minute peak in kW as registered during the month by a demand meter or indicator.

Billing demands shall be rounded to the nearest whole kW.

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE L.G.S. P.A.  
(Large General Service Time of Day-- Public Authority)**

**METERED VOLTAGE ADJUSTMENT**

The rates set forth in this Schedule are based upon delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss

compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

The Company may, at its option, require customers to contract for a definite amount of electrical capacity sufficient to meet normal maximum requirements.

The Company shall not be required to supply capacity in excess of that contract capacity except by mutual agreement.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.



APPALACHIAN POWER COMPANY

Sheet No. 6-1

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE L.P.S. P.A.  
(Large Power Service- Public Authority)**

**AVAILABILITY OF SERVICE**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, with normal maximum demands greater than 1,000 kW who take Public Authority Service from the Company. Each customer shall establish a contract capacity for a definite amount of electrical capacity in kilowatts which shall be sufficient to meet the customer's normal maximum requirements for the on-peak period and a definite amount of electrical capacity in kilowatts which shall be sufficient to meet normal maximum requirements for the off-peak period, but in no case shall the contract capacity be less than 1,000 kW. When a customer being served under this Schedule establishes metered demands less than 1,000 kW per month for ten (10) or more months during the past twelve (12) months, the customer will be placed on the appropriate general service P.A. Standard Schedule. The Company shall not be required to supply capacity in excess of the on-peak and off-peak capacities. Contract capacities shall be in multiples of 100 kW.

**MONTHLY RATE**

Schedule Code		Generation	Transmission	Distribution	Total
301	<b>Secondary Voltage:</b>				
	Basic Service Charge(\$)	--		215.00	215.00
	Demand Charge (\$/kW)	11.71	2.13	5.64	19.48
	Off-Peak Excess Demand Charge (\$/kW)	1.19	0.21	2.98	4.38
	Energy Charge (¢/kWh)	0.566	0.000	0.000	0.566
307	<b>Primary Voltage:</b>				
	Basic Service Charge(\$)	--		290.00	290.00
	Demand Charge (\$/kW)	11.41	2.06	3.40	16.87
	Off-Peak Excess Demand Charge (\$/kW)	1.16	0.20	0.72	2.08
	Energy Charge (¢/kWh)	0.552	0.000	0.000	0.552
	<b>Subtransmission Voltage:</b>				
	Basic Service Charge(\$)	--		320.00	320.00
	Demand Charge (\$/kW)	11.21	2.04	0.00	13.25
	Off-Peak Excess Demand Charge (\$/kW)	1.14	0.20	0.00	1.34
	Energy Charge (¢/kWh)	0.544	0.000	0.000	0.544

APPALACHIAN POWER COMPANY

Sheet No. 6-2

PUBLIC AUTHORITY TARIFF NO. 17

SCHEDULE L.P.S. P.A.  
(Large Power Service- Public Authority)  
(continued)

MONTHLY RATE (Cont'd)

Schedule Code		Generation	Transmission	Distribution	Total
	Transmission Voltage:				
	Basic Service Charge(\$)	--		430.00	430.00
	Demand Charge (\$/kW)	11.04	2.01	0.00	13.05
	Off-Peak Excess Demand Charge (\$/kW)	1.12	0.20	0.00	1.32
	Energy Charge (\$/kWh)	0.537	0.000	0.000	0.537

Reactive Demand Charge for each KVAR of leading or lagging reactive demand in excess of 50% of the kW metered demand . . . . . \$0.75 per KVAR

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges. Each kilowatt of demand consumed is subject to all applicable riders and surcharges.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the sum of the Basic Service Charge, the product of the Demand Charge and the monthly billing demand, and all applicable adjustments.

PAYMENT

Bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company by the next bill date. On all accounts not so paid, a charge of 1½% per month will be applied to any account balances not received by the Company by the next bill date. If the Company fails to mail bills promptly after the billing date, the due date will be extended accordingly. The customer may designate its billing address.

MEASUREMENT AND DETERMINATION OF BILLING DEMAND

The billing demand in kW shall be taken each month as the single highest 30-minute peak in kW as registered during the month in the on-peak period by a demand meter or indicator. The monthly billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's on-peak contract capacity, or (b) the customer's highest previously established monthly billing demand during the past 11 months.

The off-peak billing demand in kW shall be taken each month as the single highest 30-minute peak in kW as registered during the month in the off-peak period by a demand meter or indicator. The monthly off-peak billing demand established hereunder shall not be less than 60% of the greater of (a) the customer's off-peak contract capacity or (b) the customer's highest previously established off-peak monthly billing demand during the past 11 months.

The off-peak excess demand shall be the amount by which the monthly off-peak billing demand exceeds the monthly billing demand.

The reactive demand in KVAR shall be taken each month as the single highest 30-minute peak in KVAR as registered during the month by a demand meter or indicator.

Billing demands shall be rounded to the nearest whole kW and KVAR.

APPALACHIAN POWER COMPANY

Sheet No. 6-3

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE L.P.S.- P.A.  
(Large Power Service – Public Authority)  
(continued)**

**MEASUREMENT AND DETERMINATION OF BILLING DEMAND (Cont'd)**

For the purpose of this Schedule, the on-peak billing period is defined as 7 a.m. to 8 p.m., local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 8 p.m. to 7 a.m., local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**METERED VOLTAGE ADJUSTMENT**

The rates set forth in this Schedule are based upon the delivery and measurement of energy at the same voltage. When the measurement of energy occurs at a voltage different than the delivery voltage, the measurement of energy will be compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses, or the application of multipliers to the metered quantities. In such cases, metered kWh, kW and KVAR will be adjusted for billing purposes. In cases where multipliers are used to adjust metered usage, the adjustment shall be as follows:

- (a) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (b) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

The Company shall not be required to supply capacity in excess of the contract capacity except by mutual agreement.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Schedule N.M.S.P.A. or by special agreement with the Company.

APPALACHIAN POWER COMPANY

Sheet No. 7

**PUBLIC AUTHORITY TARIFF NO. 17**

**SCHEDULE A.F.S.-P.A.  
(Alternate Feed Service-Public Authority)**

**AVAILABILITY OF SERVICE**

Available for electric service to general service customers who take P.A. Standard Service from the Company and who request the Company to provide an alternate service from existing distribution facilities which is in addition to their principal service, provided that the Company has available capacity in existing distribution facilities adjacent to the customer's requested delivery point.

Each customer electing to take service under this Schedule shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet the customer's normal maximum demand.

**MONTHLY RATE**

In addition to all monthly charges for the customer's principal service as determined under the appropriate P.A. Standard Schedule, the customer shall pay the following:

For each kW of contract capacity or highest demand established during the last 11 months, whichever is greater	<u>Distribution</u>  \$1.25 /kW
--	---------------------------------------

**PAYMENT**

Bills are due upon presentation. Any amount due and not received by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 1½%.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

Written agreements may be required pursuant to the Extension of Service provision contained in the Terms and Conditions of Service of the Virginia Public Authorities Agreement.

**SPECIAL TERMS AND CONDITIONS**

The customer shall be responsible for supplying any switching apparatus and facilities which are required in order for the installation to conform to the Company's construction standards and requirements. In those cases where the Company supplies the switching apparatus to conform to the Company's standards and requirements, the customer shall be responsible for the total cost of the switching apparatus, its installation, maintenance, and any future replacement costs.

In the event existing alternate distribution facilities adjacent to the customer's requested delivery point are not adequate, and the Company is able to construct additional facilities to meet this need, a Contribution in Aid-of-Construction may be required for such additional facilities pursuant to the Extension of Service provision contained in the Terms and Conditions of Service of the Virginia Public Authorities Agreement.

Customers currently receiving duplicate service and not paying the monthly A.F.S. rate will cease receiving such service when the Company's existing facilities no longer have sufficient excess capacity available to provide this service. Customers desiring to continue receiving alternate feed service may do so only under the terms and conditions of Schedule A.F.S.-P.A.

**APPALACHIAN POWER COMPANY**

**PUBLIC AUTHORITY TARIFF NO. 17**

**RIDER F.F.R. – P.A.  
(Fuel Factor Rider – Public Authority)**

**AVAILABILITY OF SERVICE**

Available for general service to municipal corporations and state governmental entities, excluding Public Housing Authorities and the Commonwealth of Virginia, as those terms are used in §§56-232 and 234 of the Code of Virginia and in pertinent decisions of the Supreme Court of Virginia, who take Public Authority Service from the Company. The Fuel Factor Rider shall be calculated by multiplying the customer's kWh by 2.301¢ per kilowatt-hour.

The Fuel Factor Rider shall remain in effect until such time as modified by the Commission.

**APPALACHIAN POWER COMPANY**

**Sheet No. 9**

**PUBLIC AUTHORITY TARIFF NO. 17**

**RIDER S.U.T.-P.A.**  
**(Sales and Use Tax Rider-Public Authority)**

Effective January 1, 2016, a Sales and Use Tax surcharge of 0.023 ¢/kWh will be applied to all customer bills rendered under the applicable schedules or special contracts.

The current surcharge shall remain in effect through December 31, 2016. Prior to the beginning of each subsequent year, the Company will update the amount of the surcharge to reflect the estimated sales and use tax it expects to incur for that year plus any true-up amounts from the prior period.

APPALACHIAN POWER COMPANY

Sheet No. 10

PUBLIC AUTHORITY TARIFF NO. 17

RIDER E.R.C.R.S.-P.A.  
(Environmental and Reliability Cost Recovery Surcharge-Public Authority)

AVAILABILITY OF SERVICE

Effective with service rendered on or after February 12, 2012, an Incremental Environmental Compliance and Transmission & Distribution System Reliability Cost Recovery Surcharge (ERCRCR) will commence for all customer bills rendered under the applicable schedules or special contracts. As a result, the ERCRCR shall effectively be calculated by multiplying the customer's kWh's of energy and kW's of demand by the following functional Environmental & Reliability (E & R) Factors:

Appalachian Power Company								
Summary of Demand and Energy Surcharges								
	E&R per kWh Factors-(\$/kWh)				E&R per kW Factors-(\$/kW)			
	Gen	Tran	Dist	Total	Gen	Tran	Dist	Total
SGS - (212,232,235)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
SGS - LMTOD (255)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Standard (216)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-TOD (237)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Primary (218)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-TOD (249)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
MGS - Subtransmission (245)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
GS-Secondary-(262)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Primary-(264)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Subtrans-(266)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
GS-Transmission-(268)-Block 1	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Block 2	0.00000	0.00000	0.00000	0.00000				
LGS - Secondary (375)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Primary (376)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Subtransmission (377)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS - Transmission	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LGS-TOD -Secondary (347)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	0.00000	0.00000	0.00000	0.00000				
LGS-TOD -Secondary (349)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
	0.00000	0.00000	0.00000	0.00000				
LPS - Secondary (301)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
LPS - Primary (307)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
OL-(173-195)	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

APPALACHIAN POWER COMPANY

Sheet No. 11

PUBLIC AUTHORITY TARIFF NO. 17

RIDER E-R.A.C.-P.A.

(Environmental Rate Adjustment Clause Rider-Public Authority)

AVAILABILITY OF SERVICE

Effective with bills rendered on and after January 24, 2014, an Environmental Compliance Rate Adjustment Clause Rider (E-RAC) will apply for all standard customer bills rendered under the applicable Standard Schedules or special contracts. As a result, the E-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Appalachian Power Company Summary of Demand and Energy Rates			
	Energy T-RAC per kWh	Demand T-RAC per kW	T-RAC Per Off- Peak Excess kW
SGS - (212,232,235)	\$0.00000		
SGS - LMTOD (255)	On-Peak: \$0.00000		
	Off-Peak: \$0.00000		
MGS - Standard (216)	\$0.00000	\$0.00	\$0.00
GS-TOD Secondary (237,238)	On-Peak: \$0.00000		
	Off-Peak: \$0.00000		
MGS - Primary (218)	\$0.00000	\$0.00	\$0.00
GS-TOD Primary (249,250)	On-Peak: \$0.00000		
	Off-Peak: \$0.00000		
MGS - Subtransmission (245)	\$0.00000	\$0.00	\$0.00
GS-Secondary (262)	Block 1 \$0.00000	\$0.00	\$0.00
	Block 2 \$0.00000		
GS-Primary (264)	Block 1 \$0.00000	\$0.00	\$0.00
	Block 2 \$0.00000		
GS-Subtransmission (266)	Block 1 \$0.00000	\$0.00	\$0.00
	Block 2 \$0.00000		
GS-Transmission (268)	Block 1 \$0.00000	\$0.00	\$0.00
	Block 2 \$0.00000		
LGS - Secondary (375)	\$0.00000	\$0.00	\$0.00
LGS - Primary (376)	\$0.00000	\$0.00	\$0.00
LGS - Subtransmission (377)	\$0.00000	\$0.00	\$0.00
LGS - Transmission ( )	\$0.00000	\$0.00	\$0.00
LGS-TOD-Secondary (347)	On Peak 0.00000		
	Off Peak 0.00000		
LGS-TOD-Secondary (349)	On Peak 0.00000		
	Off Peak 0.00000		
LPS - Secondary (301)		\$0.00	\$0.00
LPS - Primary (307)		\$0.00	\$0.00
OL- (173-195)	\$0.00000		

The E-RAC expired February 11, 2015. Rates will be \$0.00000 until modified by the Commission.



APPALACHIAN POWER COMPANY

Sheet No. 12

PUBLIC AUTHORITY TARIFF NO. 17

RIDER R.P.S. – R.A.C.-P.A.

(Renewable Portfolio Standard Rate Adjustment Clause Rider-Public Authority)

AVAILABILITY OF SERVICE

Effective with service rendered on or after February 1, 2016, the rates in this Renewable Portfolio Standard (RPS) Rider will be applied to all customer bills, except those served under L.P.S. at primary, subtransmission or transmission voltages, rendered under the applicable schedules or special contracts. The RPS shall be calculated by multiplying the kWh's of energy by the rates below:

Schedule	Energy Rate per kWh
SGS (212,232,235,255)	\$(0.00072)
MGS – Standard (216)	\$(0.00096)
MGS - Primary (218)	\$(0.00093)
MGS - Subtransmission (245)	\$(0.00092)
GS – Secondary (262)	Block 1 \$(0.00096)
	Block 2 \$(0.00057)
GS – Primary (264)	Block 1 \$(0.00093)
	Block 2 \$(0.00055)
GS - Subtransmission (266)	Block 1 \$(0.00092)
	Block 2 \$(0.00055)
GS – Transmission (268)	Block 1 \$(0.00091)
	Block 2 \$(0.00054)
GS-TOD - Secondary (237)	\$(0.00065)
GS-TOD - Primary (249)	\$(0.00093)
LGS - Secondary (375)	\$(0.00057)
LGS - Primary (376)	\$(0.00055)
LGS - Subtransmission (377)	\$(0.00055)
LGS – Transmission	\$(0.00054)
LPS – Secondary (301)	\$(0.00051)
LPS - Primary (307)	\$0.00000
LGS-TOD -Secondary (347)	\$0.00000
LGS-TOD - Primary (349)	\$0.00000
OL (173-195)	\$(0.00016)

This RPS rider shall remain in effect until such time as modified by the Commission.

## PUBLIC AUTHORITY TARIFF NO. 17

## RIDER G-R.A.C.-P.A.

(Generation Rate Adjustment Clause Rider-Public Authority)

## AVAILABILITY OF SERVICE

Effective with service rendered on and after February 15, 2014, a Generation Rate Adjustment Clause Rider (G-RAC) will apply for all standard customer bills rendered under the applicable standard Schedules or special contracts. As a result, the G-RAC shall effectively be calculated by multiplying the kWh of energy and kW of demand, by the following rates:

Summary of Demand and Energy Surcharges			
	Energy per kWh	Demand per kW	Demand per kW (Off-Peak Excess)
	Generation in (\$)	Generation in (\$)	
SGS - (212,232,235)	0.00217		
SGS - LMTOD (255)	On-Peak-0.00430		
	Off-Peak-0.00040		
MGS - Standard (216)	0.00190	0.13	0.05
GS-TOD (237)	On-Peak-0.00351		
	Off-Peak-0.00066		
MGS - Primary (218)	0.00184	0.13	0.05
GS-TOD (249)	On Peak-0.00340		
	Off-Peak-0.00064		
MGS - Subtransmission (245)	0.00182	0.12	0.05
LGS - Secondary (375)	0.00062	0.45	0.07
GS-Secondary-(262)-Block 1	0.00190	0.13	0.05
Block 2	0.00062		
GS-Primary-(264)-Block 1	0.00184	0.13	0.05
Block 2	0.00060		
GS-Subtransmission-(266)-Block 1	0.00182	0.12	0.05
Block 2	0.00059		
GS-Transmission-(268)-Block 1	0.00179	0.12	0.05
Block 2	0.00059		
LGS - Primary (376)	0.00060	0.44	0.07
LGS - Subtransmission (377)	0.00059	0.43	0.07
LGS - Transmission	0.00059	0.42	0.07
LGS-TOD-Secondary (347)	On-Peak-0.00351 Off-Peak-0.00066		
LGS-TOD - Primary (349)	On Peak-0.00340 Off-Peak-0.00064		
LPS - Secondary (301)	0.00016	0.68	0.07
LPS - Primary (307)	0.00016	0.67	0.07
OL (173 to 195)	0.00059		

The G-RAC factors will remain in effect until such time as modified by the Commission.

**APPALACHIAN POWER COMPANY**

**Sheet No. 14**

**PUBLIC AUTHORITY TARIFF NO. 17**

**RIDER P.A.S. – P.A.  
(Public Authority Surcredit)**

Effective with service rendered on or after February 1, 2017, a surcredit, Public Authority Surcredit (PAS) will be applied to all customer bills rendered under the applicable schedules or special contracts. The PAS factor shown below shall be applied to the customer's kWh energy consumption:

A PAS in the amount of \$0.00244/kWh shall be in effect for service rendered, at a minimum, from February 1, 2017 ending June 30, 2018.

A PAS will be reestablished for July 1, 2018 until June 30, 2020 by dividing \$2.0 million, adjusted for any over or under recovery of the 2017-2018 PAS, by the kWh consumption of all Public Authority customers (excluding SI. consumption) for the 24 month period of January 1, 2016 through December 31, 2017, at which time the surcredit will terminate and cease to be a part of the Public Authority Tariff

APPALACHIAN POWER COMPANY

Sheet No. 17

PUBLIC AUTHORITY TARIFF NO. 17

RIDER T-R.A.C-P.A.  
(Transmission Rate Adjustment Clause Rider-Public Authority)

AVAILABILITY OF SERVICE

The Transmission Rate Adjustment Clause Rider (T-RAC) will be applied on a service rendered basis to all standard customer bills rendered under the applicable schedules or special contracts. The T-RAC shall be calculated by multiplying the kWh's of energy and kW's of demand by the rates below.

Appalachian Power Company Summary of Demand and Energy Rates			
	Energy T-RAC per kWh	Demand T-RAC per kW	T-RAC Per Off- Peak Excess kW
SGS - (212,232,235)	\$0.01008		
SGS - LMTOD (255)	On-Peak: \$0.01960		
	Off-Peak: \$0.00187		
MGS - Standard (216)	\$0.00880	\$0.71	\$0.26
GS-TOD Secondary (237,238)	On-Peak: \$0.01761		
	Off-Peak: \$0.00368		
MGS - Primary (218)	\$0.00856	\$0.69	\$0.25
GS-TOD Primary (249,250)	On-Peak: \$0.01712		
	Off-Peak: \$0.00358		
MGS - Subtransmission (245)	\$0.00845	\$0.68	\$0.25
GS-Secondary (262)	Block 1 \$0.00854	\$0.71	\$0.41
	Block 2 \$0.00261		
GS-Primary (264)	Block 1 \$0.00842	\$0.69	\$0.40
	Block 2 \$0.00256		
GS-Subtransmission (266)	Block 1 \$0.00846	\$0.68	\$0.39
	Block 2 \$0.00257		
GS-Transmission (268)	Block 1 \$0.00831	\$0.67	\$0.39
	Block 2 \$0.00253		
LGS - Secondary (375)	\$0.00268	\$2.07	\$0.30
LGS - Primary (376)	\$0.00260	\$2.02	\$0.30
LGS - Subtransmission (377)	\$0.00257	\$1.98	\$0.29
LGS - Transmission ( )	\$0.00253	\$1.95	\$0.28
LPS - Secondary (301)	\$0.00058	\$2.87	\$0.30
LGS -TOD Secondary (347)	On-Peak \$0.01761		
	Off-Peak \$0.00368		
LGS -TOD Primary (349)	On-Peak \$0.01712		
	Off-Peak \$0.00358		
LPS - Primary (307)	\$0.00056	\$2.81	\$0.30
OL- (173-195)	\$0.00235		

## PUBLIC AUTHORITY TARIFF NO. 17

**RIDER DR-R.A.C.**  
**(Demand Response Adjustment Clause Rider)**

The Demand Response Adjustment Clause Rider (DR-RAC) will be applied on a service rendered basis to all standard customer bills under the applicable Standard Schedules or special contracts. The DR-RAC shall be calculated by multiplying the kWh's of energy and kW's of demand by the rates below.

Appalachian Power Company Summary of Demand and Energy Rates			
	Energy DR-RAC per kWh	Demand DR-RAC per kW	DR-RAC Per Off- Peak Excess kW
SGS - (212,232,235)	\$0.00032		
SQS - LMTOD (255)	On-Peak: \$0.00062		
	Off-Peak: \$0.00006		
MGS - Standard (216)	\$0.00029	\$0.02	\$0.01
GS-TOD Secondary (237,238)	On-Peak: \$0.00058		
	Off-Peak: \$0.00011		
MGS - Primary (218)	\$0.00027	\$0.02	\$0.01
GS-TOD Primary (249,250)	On-Peak: \$0.00056		
	Off-Peak: \$0.00011		
MGS - Subtransmission (245)	\$0.00027	\$0.02	\$0.01
GS-Secondary (262)	Block 1 \$0.00028	\$0.02	\$0.01
	Block 2 \$0.00007		
GS-Primary (264)	Block 1 \$0.00027	\$0.02	\$0.01
	Block 2 \$0.00007		
GS-Subtransmission (266)	Block 1 \$0.00027	\$0.02	\$0.01
	Block 2 \$0.00007		
GS-Transmission (268)	Block 1 \$0.00026	\$0.02	\$0.01
	Block 2 \$0.00007		
LGS - Secondary (375)	\$0.00007	\$0.07	\$0.01
LGS - Primary (376)	\$0.00007	\$0.07	\$0.01
LGS - Subtransmission (377)	\$0.00007	\$0.07	\$0.01
LGS - Transmission ( )	\$0.00007	\$0.07	\$0.01
LGS - TOD Secondary (347)	On-Peak \$0.00058		
	Off-Peak \$0.00011		
LGS - TOD Primary (349)	On-Peak \$0.00056		
	Off-Peak \$0.00011		
LPS - Secondary (301)	\$0.00000	\$0.10	\$0.01
LPS - Primary (307)	\$0.00000	\$0.10	\$0.01
OL- (173-195)	\$0.00000		

APPALACHIAN POWER COMPANY

Sheet No. 18-1

VA. S.C.C. TARIFF NO. 25

SCHEDULE O.L.  
(Outdoor Lighting)

AVAILABILITY OF SERVICE

Available for outdoor lighting to individual customers who take Standard Service from the Company and are located outside areas covered by municipal street lighting systems, provided the lighting location designated by the customer is reasonably accessible to the Company's service vehicles without causing damage to the customer's or other's property.

MONTHLY RATE

A. Overhead Lighting Service

For each of the following, the Company will provide lamp, photo-electric relay control equipment, luminaire and upsweep arm not over 6 feet in length, and shall mount same on an existing wood distribution pole which is connected to secondary facilities of the Company.

Schedule Code	Type of Lamp	Nominal Lamp Wattage	Approx. Initial Lumens	Base Rate per Month \$			¢ per kWh
				Generation	Distribution	G & D Total	Transmission
094	High Pressure Sodium	100	9,500	0.29	7.34	7.63	0.149
097	High Pressure Sodium	200	22,000	0.60	9.24	9.84	0.149
098	High Pressure Sodium	400	50,000	1.18	11.16	12.34	0.149
127	High Pressure Sodium-Flood	250	28,500	0.73	10.41	11.14	0.149
109	High Pressure Sodium-Flood	400	50,000	1.18	11.67	12.85	0.149
093	Mercury Vapor*	175	8,500	0.51	7.96	8.47	0.149
096	Mercury Vapor*	250*	13,000*	0.71	10.77	11.48	0.149
095	Mercury Vapor*	400	23,000	1.12	12.82	13.94	0.149
136	Metal Halide	150	13,000	0.45	9.37	9.82	0.149
134	Metal Halide-Flood**	175**	13,000**	0.51	11.42	11.93	0.149
102	Metal Halide-Flood	400	36,000	1.12	11.92	13.04	0.149
131	Metal Halide-Flood	1000	110,000	2.68	25.96	28.64	0.149
117	Mongoose	100	9,500	0.29	14.67	14.96	0.149
118	Mongoose	200	22,000	0.60	15.27	15.87	0.149
119	Mongoose	400	50,000	1.18	15.83	17.01	0.149

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

\* Effective June 14, 2007 mercury vapor lamps will no longer be available for new installations or for repair or replacement of existing units.

\*\* Effective June 3, 2006, the 175 watt 13,000 lumen metal halide flood lamp will no longer be available for new installations or for repair or replacement of existing units.

When other additional overhead facilities are to be installed by the Company, the customer will, in addition to the above monthly charge, pay a CIAC in advance representing the installation cost of such additional overhead facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp, provided the location designated by the customer is reasonably accessible to the Company's service vehicles without causing damage to the customer's

Issued: January 25, 2015  
Pursuant to Final Order  
Dated: November 26, 2014  
Case PUE-2014-00026

Effective: January 25, 2015

APPALACHIAN POWER COMPANY

Sheet No. 18-2

VA. S.C.C. TARIFF NO. 25

**SCHEDULE O.L.**  
**(Outdoor Lighting)**  
(continued)

**MONTHLY RATE (Cont'd)**

or other's property. In lieu of paying in advance for the installation of additional facilities, the customer may, for the following facilities only, pay the following:

For each additional pole and overhead wire span not over 150 feet:

Wood Pole	\$ 5.00 per month
Aluminum Pole	\$17.50 per month
Fiberglass Pole	\$19.50 per month

**B. Post-Top Lighting Service**

For each of the following, the Company will provide lamp, photo-electric relay control, post-top luminaire, post and installation (the type and height of which will be consistent with the Company's construction standards), including underground wiring for a distance of 30 feet from the Company's existing secondary facilities.

Schedule Code	Type of Lamp	Nominal Lamp Wattage	Approx. Initial Lumens	Base Rate per Month (\$)			¢ per kWh
				Generation	Distribution	Q & D Total	Transmission
099	Mercury Vapor*	175	8,500	0.51	10.42	10.93	0.149
106	High Pressure Sodium	70	6,300	0.20	14.46	14.66	0.149
111	High Pressure Sodium	100	9,500	0.29	14.63	14.92	0.149
103	High Pressure Sodium - ShoeBox	250	28,500	0.73	17.09	17.82	0.149
113	High Pressure Sodium	250	28,500	0.73	18.36	19.09	0.149
104	High Pressure Sodium	400	50,000	1.18	18.24	19.42	0.149
124	High Pressure Sodium-Flood	400	50,000	1.18	18.24	19.42	0.149
137	Metal Halide	150	13,000	0.45	15.45	15.90	0.149
105	Metal Halide	400	36,000	1.12	15.81	16.93	0.149
135	Metal Halide-Flood	175	13,000	0.51	15.76	16.27	0.149
126	Metal Halide-Flood	400	36,000	1.12	15.87	16.99	0.149
132	Metal Halide-Flood	1000	110,000	2.68	43.81	46.49	0.149
141	Mongoose	100	9,500	0.29	27.29	27.58	0.149
142	Mongoose	200	22,000	0.60	27.89	28.49	0.149
143	Mongoose	400	50,000	1.18	28.54	29.72	0.149

Each kilowatt-hour of energy consumed is subject to all applicable riders and surcharges.

\* Effective June 14, 2007 mercury vapor lamps will no longer be available for new installations or for repair or replacement of existing units

\*\* Effective February 1, 2009 the 175 watt 13,000 lumen metal halide flood lamp will no longer be available for new installations or for repair or replacement of existing units.

Issued: January 25, 2015  
Pursuant to Final Order  
Dated: November 26, 2014  
Case PUE-2014-00026

Effective: January 25, 2015

**APPALACHIAN POWER COMPANY**

**VA. S.C.C. TARIFF NO. 25**

**Sheet No. 18-3**

**SCHEDULE O.L.  
(Outdoor Lighting)  
(continued)**

**MONTHLY RATE (Cont'd)**

When the customer's service requires an underground circuit longer than 30 feet from existing secondary facilities for post-top lighting service, the customer will pay to the Company, in advance, a charge for the additional length of underground circuit. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such charges.

Company trenches and backfills:	\$4.93 per foot for the length of underground circuit in excess of 30 feet.
Customer trenches and backfills entire trench* (including the first 30 feet):	\$2.75 per foot for the length of underground circuit in excess of 150 feet.

\* Trench must comply with all Company and local standards.

The customer will, where applicable, be subject to the following conditions in addition to paying the monthly charges set forth above:

1. Customers requiring service where rock or other adverse soil conditions are encountered will be furnished service provided the excess cost of trenching and backfilling (cost in excess of \$4.93 per foot of the total trench length) is paid to the Company by the customer.
2. In the event the customer requires that an underground circuit be located beneath a driveway or other pavement, the Company may require the customer to install protective conduit in the paved areas.

**PAYMENT**

For all residential customers with outdoor lights, bills are due upon presentation and payable by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company within twenty (20) days of the bill preparation date. A charge of 1½% per month will be applied to any account balances, excluding local consumer utility taxes, not received by the Company by the next bill preparation date.

For all other customers with outdoor lights, bills are due upon presentation. Any amount due and not received by mail, checkless payment plan, electronic payment plan, or at authorized payment agents of the Company within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 1½%. This charge shall not be applicable to local consumer utility taxes.

**HOURS OF LIGHTING**

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise, every night and all night, burning approximately 4,000 hours per annum.

**OWNERSHIP OF FACILITIES**

All facilities necessary for service, including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances, shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the customer to replace all burned-out lamps.

**TERM**

The minimum billing term for new residential outdoor lighting installations will be 12 months. At the Company's option, a written agreement may be required pursuant to the Extension of Service provision of the Company's Terms and Conditions of Standard Service. The minimum billing term for new commercial, industrial and other non-residential outdoor lighting installations will be 36 months. At the Company's option, a written agreement may be required pursuant to the Extension of Service provision of the Company's Terms and Conditions of Standard Service.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to the Company's Terms and Conditions of Standard Service.



APPALACHIAN POWER COMPANY

Sheet No. 18-4

VA. S.C.C. TARIFF NO. 25

SCHEDULE O.L.  
(Outdoor Lighting)  
(continued)

TOTAL MONTHLY ENERGY CONSUMPTION IN KILOWATT HOURS PER SINGLE LAMP

ALL NIGHT LAMPS (Adjusted for Photocell Operation to Total 4000 Hour Operation Per Year)

TYPE OF LAMP, APPROXIMATE LUMENS, & NOMINAL WATTAGE	Total Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>MERCURY VAPOR</b>													
7,560 L 8,500 L 175W	216	91	76	76	65	58	52	55	63	69	81	86	92
10,700 L 13,000 L 250W	301	126	106	106	90	81	72	77	88	97	113	119	129
19,100 L 23,000 L 400W	474	199	167	167	142	127	114	121	138	152	178	188	203
33,600 L 43,000 L 700W	803	337	283	283	241	215	193	205	234	257	302	318	344
45,500 L 63,000 L 1,000W	1,135	477	400	400	340	304	272	291	331	363	427	449	486
<b>SODIUM VAPOR</b>													
3,600 L 4,000 L 50W	58	24	20	20	18	15	14	15	17	19	22	23	25
5,670 L 6,300 L 70W	86	36	30	30	26	23	21	22	25	28	32	34	37
8,550 L 9,500 L 100W	121	51	43	43	36	32	29	31	35	39	45	48	52
14,400 L 16,000 L 150W	176	74	62	62	53	47	42	45	51	57	66	70	75
19,800 L 22,000 L 200W	253	106	89	89	76	68	61	65	74	81	95	100	108
25,600 L 28,500 L 250W	309	130	109	109	93	83	74	79	90	99	116	122	132
33,300 L 37,000 L 310W	365	153	128	128	110	98	88	93	107	117	137	145	156
45,000 L 50,000 L 400W	500	210	176	176	150	134	120	128	146	160	188	198	214
126,000 L 140,000 L 1,000W	1,135	477	400	400	340	304	272	291	331	363	427	449	486
<b>METAL HALIDE</b>													
9,100 L 13,000 L 150W	190	80	67	67	57	51	46	49	55	61	71	75	81
10,350 L 13,000 L 175W	216	91	76	76	65	58	52	55	63	69	81	86	92
17,000 L 20,500 L 250W	301	127	106	106	90	81	72	77	88	96	113	119	129
28,800 L 36,000 L 400W	474	199	167	167	142	127	114	121	138	152	178	188	203
88,000 L 110,000 L 1,000W	1,135	477	400	400	340	304	272	291	331	363	427	449	486

APPALACHIAN POWER COMPANY

Sheet No. 13-1

**PUBLIC AUTHORITY TARIFF NO. 17(a)**

**SCHEDULE S.L. – P.A.  
(Street Lighting – Public Authority)**

**AVAILABILITY OF SERVICE**

Available for lighting service sold for the lighting of public streets, public highways and other public outdoor areas in municipalities and political subdivisions where such service can be supplied from the existing general distribution system.

**MONTHLY RATE**

**A. Overhead Service on Existing Secondary Distribution Facilities**

Type of Lamp	Approximate Lumens	Type of Mounting	Facility Ownership 0-Unknown 1-Company 2- Customer 3-Customer Contribution	Base Rate per Month			Cost of Facilities Included in Rates (\$)
				Generation (\$)	Transmission (\$)	Distribution (\$)	
Mercury Vapor	3,500	Wood or Bridge	1	0.33	0.02	3.58	N/A
Mercury Vapor	7,000	Wood	2	0.56	0.03	2.74	N/A
Mercury Vapor	7,000	Wood or Steel	1	0.56	0.03	4.41	276.00
Mercury Vapor	11,000	Wood	1	0.78	0.05	4.83	N/A
Mercury Vapor	21,000	Wood	2	1.22	0.07	2.58	N/A
Mercury Vapor	21,000	Wood or Steel	1	1.22	0.07	5.01	365.00
Mercury Vapor	21,000	Steel or Aluminum	1	1.22	0.07	13.28	N/A
Mercury Vapor	58,000	Wood	1	2.92	0.19	6.52	470.00
High Pressure Sodium	5,800	Wood	1	0.22	0.01	4.65	267.00
High Pressure Sodium	9,500	Wood or Bridge	1	0.31	0.02	4.89	285.00
High Pressure Sodium	9,500	Steel or Aluminum	1	0.31	0.02	11.89	N/A (5)
High Pressure Sodium	16,000	Aluminum	1	0.46	0.03	13.01	N/A (5)
High Pressure Sodium	16,000	Wood	1	0.46	0.03	4.84	245.00
High Pressure Sodium	22,000	Unclassified(2) , Steel or Wood	1	0.64	0.04	5.61	353.00
High Pressure Sodium	22,000	Aluminum	2	0.64	0.04	5.61	353.00
High Pressure Sodium	22,000	Aluminum (3) or Steel (3)	1	0.64	0.04	13.56	N/A (5) (6)

## PUBLIC AUTHORITY TARIFF NO. 17(a)

SCHEDULE S.L. - P.A.  
(Street Lighting - Public Authority)  
(continued)

Type of Lamp	Approximate Lumens	Type of Mounting	Facility Ownership 0-Unknown 1-Company 2-Customer 3-Customer Contribution	Base Rate per Month			Cost of Facilities Included in Rates (\$)
				Generation (\$)	Transmission (\$)	Distribution (\$)	
High Pressure Sodium	22,000	Aluminum or Steel	1	0.64	0.04	21.05	N/A (5)
High Pressure Sodium	23,000	Wood	1	0.64	0.04	5.61	N/A (5)
High Pressure Sodium	50,000	Unclassified(2) or Wood	1	1.28	0.09	6.19	422.00
High Pressure Sodium	50,000	Steel or Aluminum	1	1.28	0.09	15.11	N/A (5) (6)
High Pressure Sodium	50,000	Steel or Aluminum	1	1.28	0.09	25.05	N/A (5)
LED - Experimental	5,100	Unclassified (8)	1	0.20	0.01	22.39	1,341.00
LED - Experimental	5,100	Unclassified	2	0.20	0.01	13.50	772.00
LED - Experimental	8,700	Unclassified (8)	1	0.35	0.02	27.83	1,646.00
LED - Experimental	8,700	Unclassified	2	0.35	0.02	18.95	1,077.00

## PUBLIC AUTHORITY TARIFF NO. 17(a)

SCHEDULE S.L. - P.A.  
(Street Lighting - Public Authority)  
(continued)

## MONTHLY RATE (Cont'd)

B. Service on Special Company Owned Standard Metal, Concrete, or Ornamental Poles, or Wood Poles, or Wood Poles Served from Underground Distribution

Type of Lamp	Approximate Lumens	Type of Mounting	Facility Ownership 0-Unknown 1-Company 2-Customer 3-Customer Contribution	Base Rate per Month			Cost of Facilities Included in Rates (\$)
				Generation (\$)	Transmission (\$)	Distribution (\$)	
Mercury Vapor	7,000	Post Top	2	0.56	0.03	2.74	N/A (5)
Mercury Vapor	7,000	Wood or Steel	1	0.56	0.03	11.46	674.00
Mercury Vapor	21,000	Steel	2	1.22	0.07	8.68	N/A (5)
Mercury Vapor	21,000	Aluminum	1	1.22	0.07	13.28	817.00
Mercury Vapor	21,000	Aluminum (4)	1	1.22	0.07	21.83	N/A (5)
Mercury Vapor	7,000	Post Top	1	0.56	0.03	4.79	357.00
High Pressure Sodium	5,800	Wood or Ornamental	1	0.22	0.01	11.65	671.00
High Pressure Sodium	9,500	Wood, Fiberglass,	1	0.31	0.02	11.89	688.00
High Pressure Sodium	9,500	Underpass	1	0.31	0.02	4.89	0.00 (7)
High Pressure Sodium	9,500	Wood	1	0.31	0.02	17.67	N/A (5) (6)
High Pressure Sodium	16,000	Aluminum, Wood,	1	0.46	0.03	13.01	735.00
High Pressure Sodium	22,000	Unclassified(2) or Steel	2	0.64	0.04	5.61	0.00 (7)
High Pressure Sodium	22,000	Aluminum	1			7.60 (1)	N/A (5)
High Pressure Sodium	22,000	Aluminum, Wood,	1	0.64	0.04	13.56	805.00
High Pressure Sodium	50,000	Unclassified(2) or Steel	2	1.28	0.09	6.19	0.00 (7)
High Pressure Sodium	50,000	Aluminum	1	1.28	0.09	6.19	0.00 (7)

## PUBLIC AUTHORITY TARIFF NO. 17(a)

SCHEDULE S.L. - P.A.  
(Street Lightlag - Public Authority)  
(continued)

## MONTHLY RATE (Cont'd)

B. Service on Special Company Owned Standard Metal, Concrete, or Ornamental Poles, or Wood Poles, or Wood Poles Served from Underground Distribution

Type of Lamp	Approximate Lumens	Type of Mounting	Facility Ownership 0-Unknown 1-Company 2-Customer 3-Customer Contribution	Generation (\$)	Transmission (\$)	Distribution (\$)	Cost of Facilities Included in Rates (\$)
High Pressure Sodium	50,000	Wood, Steel, Concrete, Aluminum, Fiberglass or Bridge	1	1.28	0.09	15.11	922.00
High Pressure Sodium	50,000	Unclassified (2)	2	1.28	0.09	15.11	922.00
High Pressure Sodium	50,000	Wood, Concrete, Fiberglass or Aluminum	1	1.28	0.09	25.05	N/A (5) (6)
High Pressure Sodium	9,500	Post Top, Ornamental or Fiberglass	1	0.31	0.02	5.28	356.00
LED - Experimental	3,170	Post Top or Ornamental	1	0.29	0.02	31.37	1,891.00
LED - Experimental	5,100	Unclassified (8)	1	0.20	0.01	22.39	1,341.00
LED - Experimental	5,100	Unclassified	2	0.20	0.01	13.50	772.00
LED - Experimental	8,700	Unclassified (8)	1	0.35	0.02	27.83	1,646.00
LED - Experimental	8,700	Unclassified	2	0.35	0.02	18.95	1,077.00

**PUBLIC AUTHORITY TARIFF NO. 17(a)**

**SCHEDULE S.L. – P.A.  
(Street Lighting – Public Authority)  
(continued)**

**MONTHLY RATE (Cont'd)**

Each kilowatthour of energy consumed is subject to all applicable riders and surcharges.

Effective June 14, 2007 mercury vapor lamps will no longer be available for new installations or for repair or replacement of existing units.

Effective February 1, 2009, the 175 watt 13,000 lumens metal halide floor lamp will no longer be available for new installations or for repair or replacement of existing units.

- (1) This is a bundled rate.
- (2) Unclassified (metal, pilasters, multiple lamp, etc.)
- (3) Overhead highway or floodlight
- (4) Dedicated to street lighting
- (5) There is no facility charge amount due to the fact that the light is no longer available.
- (6) This is a twin light and it is no longer available.
- (7) Energy and minor maintenance
- (8) Wood mounting is assumed for the Cost of Facilities Included in Rates for LED Experimental Company Owned Mounting.

**TERM**

The term shall be as contained in the agreement for electric service, between the Company and each city, county, and town governmental authority, for service on and after July 1, 2016.

APPALACHIAN POWER COMPANY

Sheet No. 15-6

**PUBLIC AUTHORITY TARIFF NO. 17(a)**

**SCHEDULE S.L. -- P.A.  
(Street Lighting -- Public Authority)  
(continued)**

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

The above rates under Section A and B are based on the Company's investment in standard facilities in the amount as shown adjacent to the rate. When the investment in new standard facilities, including costs for service from underground, exceeds the prescribed amount, the difference will be paid to the Company by the Customer as a Contribution in Aid of Construction (CIAC). The customer shall also reimburse the Company for all state and federal income taxes associated with the CIAC.

Decorative and other non-standard fixtures and/or poles are not included in the above street lighting rate but may be installed at the Company's option. For new installations of more than 50 decorative or non-standard fixtures and related facilities by a single customer, the Company will install and maintain the non-standard facilities subject to the monthly charges for a standard street light of equivalent wattage in Sections A and B above and subject to the Company receiving the difference between the installed cost of the non-standard facilities and the Cost of Facilities included in the rates in Section A and B above. The Customer agrees to maintain a stock of replacement poles, fixtures and lamps which the Company will acquire, as needed to accomplish replacements. Charges and provisions of service for new installations of less than 50 non-standard fixtures and/or poles will be subject to individual negotiations.

Customers may request that existing Mercury Vapor lights be removed and replaced by High Pressure Sodium Vapor lights. Where such a request is made, the Company and the Customer will identify an orderly and mutually acceptable schedule for accomplishing the requested conversion. For conversion of all Mercury Vapor street lights, the Customer agrees to pay to the Company, prior to such conversion, an amount equal to the removal cost of \$45 per street light plus the remaining unused life of the Mercury Vapor facilities being removed. In those instances where the Mercury Vapor facilities being removed have been installed for 20 years or longer, there will be no charge for the remaining unused life of the facilities being removed.

Existing street lighting facilities served on special Company owned metal, concrete, or ornamental poles, and wood poles served from underground distribution will be billed under the rates contained in Section B.

Service to Customer owned facilities, such as bridge lighting, etc., will be billed under the rates contained in Section A.

APPALACHIAN POWER COMPANY

Sheet No. 15-7

PUBLIC AUTHORITY TARIFF NO. 17(a)

SCHEDULE S.L. - P.A.  
(Street Lighting - Public Authority)  
(continued)

TOTAL MONTHLY ENERGY CONSUMPTION IN KILOWATT HOURS PER SINGLE LAMP

ALL NIGHT LAMPS (Adjusted for Photocell Operation to Total 4000 Hour Operation Per Year)

TYPE OF LAMP, APPROXIMATE LUMENS, & NOMINAL WATTAGE	Total Watts	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>MERCURY VAPOR</b>													
7,560 L 8,500 L 175W	216	91	76	76	65	58	52	55	63	69	81	86	92
10,700 L 13,000 L 250W	301	126	106	106	90	81	72	77	88	97	113	119	129
19,100 L 23,000 L 400W	474	199	167	167	142	127	114	121	138	152	178	188	203
33,600 L 43,000 L 700W	803	337	283	283	241	215	193	205	234	257	302	318	344
45,500 L 63,000 L 1,000W	1,135	477	400	400	340	304	272	291	331	363	427	449	486
<b>SODIUM VAPOR</b>													
3,600 L 4,000 L 50W	58	24	20	20	18	15	14	15	17	19	22	23	25
5,670 L 6,300 L 70W	86	36	30	30	26	23	21	22	25	28	32	34	37
8,550 L 9,500 L 100W	121	51	43	43	36	32	29	31	35	39	45	48	52
14,400 L 16,000 L 150W	176	74	62	62	53	47	42	45	51	57	66	70	75
19,800 L 22,000 L 200W	253	106	89	89	76	68	61	65	74	81	95	100	108
25,600 L 28,500 L 250W	309	130	109	109	93	83	74	79	90	99	116	122	132
33,300 L 37,000 L 310W	365	153	128	128	110	98	88	93	107	117	137	145	156
45,000 L 50,000 L 400W	500	210	176	176	150	134	120	128	146	160	188	198	214
126,000 L 140,000 L 1,000W	1,135	477	400	400	340	304	272	291	331	363	427	449	486
<b>LED</b>													
5,100 L 80W	80	34	28	28	24	21	19	20	23	26	30	32	34
3,170 L 116W	116	49	41	41	35	31	28	30	34	37	43	46	50
8,700 L 142W	142	60	50	50	43	38	34	36	41	45	53	56	61



APPALACHIAN POWER COMPANY

PUBLIC AUTHORITY TARIFF NO. 17

Sheet No. 16

**RIDER-P.A.-S.L.**  
**( Rate Adjustment Clause-Public Authority -Street Lights)**

**AVAILABILITY OF SERVICE**

Effective on a Billing Basis relative to the Effective Date specified below Rate Adjustment Clause factors will commence for all customer bills under the applicable schedules or special contracts. As a result, the Rate Adjustment Clause factors shall effectively be calculated by multiplying the customer's kWh's of energy, exclusive of fuel, by the following Factors:

Appalachian Power Company					
Summary of Energy Charges					
E & R per kWh Factors-(\$/kWh)					
Effective Date & Billing Basis		Gen	Tran	Dist	Total
<u>02/01/2013</u> Service Rendered	Street Lights (523,529, 538)	0.00000	0.00000	0.00000	0.00000
E-R.A.C.- per kWh Factors-(\$/kWh)					
		Gen	Tran	Dist	Total
<u>02/12/2015</u> Bills Rendered	Street Lights (523,529, 538)	0.00000	0.00000	0.00000	0.00000
R.P.S.-R.A.C.- per kWh Factors-(\$/kWh)					
		Gen	Tran	Dist	Total
<u>02/01/2015</u> Service Rendered	Street Lights (523,529, 538)	-0.00077	0.00000	0.00000	-0.00077
G-R.A.C.- per kWh Factors-(\$/kWh)					
		Gen	Tran	Dist	Total
<u>02/15/2015</u> Service Rendered	Street Lights (523,529, 538)	0.00196	0.00000	0.00000	0.00196
T-R.A.C.- per kWh Factors-(\$/kWh)					
		Gen	Tran	Dist	Total
<u>01/03/2016</u> Service Rendered	Street Lights (523,529, 538)	0.00000	0.01398	0.00000	0.01398

**APPALACHIAN POWER COMPANY**

**Sheet No. 18-1**

**PUBLIC AUTHORITY TARIFF NO. 17 (b)**

**RIDER N.M.S.P.A.  
(Net Metering Service Rider-Public Authority)**

**AVAILABILITY OF SERVICE**

Available for new or existing customers who take service from the Company under the Public Authority Tariff, own and operate an eligible renewable fuel generator designed to operate in parallel with the Company's system and who request Net Metering Service (NMS) from the Company. NMS Customers must take service under a rate schedule that includes an on-peak demand charge. Those Customers who utilize time-of-day provisions must have service that has two or more time of use tiers for energy-based charges and an electricity supply demand charge. The total capacity of all NMS Customers shall be limited to three (3) megawatts ("Public Authority Limit Renewable Generator Limit", and shall be available to customers with eligible renewable fuel generators on a first come, first serve basis. In the event a prospective net metering customer has submitted a notification form substantially similar to the form required by Rule 20VAC5-315-30 ("Interconnection Form") and that customer's interconnection would cause the Company to exceed the "Public Authority Renewable Generator Limit", the Company will provide the proper notification to the customer.

**DEFINITIONS**

The following terms shall solely be used to define the applicability of Schedule N.M.S.P.A.

"Billing period credit" means, for a non time-of-use net metering customer, the quantity of electricity generated and fed back into the electric grid by the customer's renewable fuel generator in excess of the electricity supplied to the customer over the billing period. For time-of-use net metering customers, billing period credits are determined separately for each time-of-use tier.

"Excess generation" means the amount of electricity generated by the renewable fuel generator in excess of the electricity consumed by the customer over the course of the net metering period. For time-of-use net metering customers, excess generation is determined separately for each time-of-use tier.

"Net metering customer (Customer)" means a customer owning and operating, or contracting with other persons to own or operate, or both, a renewable fuel generator under a net metering service arrangement.

"Net metering period" means such successive 12-month period beginning with the first meter reading date following the date of final interconnection of the renewable fuel generator with the electric distribution company's facilities.

"Net metering service" means providing retail electric service to a customer operating a renewable fuel generator and measuring the difference, over the net metering period, between electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid by the customer.

"Person" means any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity and the Commonwealth or any municipality.

"Renewable Energy Certificate (REC)" represents the renewable energy attributes associated with the production of one megawatt-hour (MWh) of electrical energy generated by a renewable fuel generator.

**APPALACHIAN POWER COMPANY**

**PUBLIC AUTHORITY TARIFF NO. 17 (b)**

**RIDER N.M.S.P.A.  
(Net Metering Service Rider-Public Authority)**

**DEFINITIONS (Cont.)**

"Renewable fuel generator" is an electrical generating facility which complies with all of the following requirements:

- (a) uses as its total source of fuel, renewable energy, as defined in § 56-576 of the Code of Virginia. "Renewable energy" means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass;
- (b) the Net metering customer's facility is located on the customer's premises and is connected to the customer's wiring on the customer's side of the interconnection with the Company;
- (c) is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
- (d) is intended primarily to offset all or part of the customer's own electricity requirements.

**CONDITIONS OF SERVICE**

**A. Notification**

1. For a renewable fuel generator with an alternating current capacity of 25 kW or less, the customer shall submit the Interconnection Form to the Company at least thirty (30) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. For a renewable fuel generator with an alternating current capacity greater than 25 kW, the customer shall submit the approved Interconnection Form to the Company at least sixty (60) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. The submission may either be directly to the Company or by registered mail with return receipt. All sections, including appropriate signatures, of the Interconnection Form must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. For renewable fuel generators with capacities greater than 25 kW, the customer should contact the Company prior to making financial commitments. If mailed, the date of notification shall be the third day following the mailing of the Interconnection Form. The Company shall provide a copy of the Interconnection Form to the customer upon request.
2. The Company shall, within thirty (30) days of the date of notification for renewable fuel generators with a rated capacity of 25 kW or less, and within sixty (60) days of the date of notification for renewable fuel generators with a rated capacity greater than 25 kW, either return to the customer a copy of the valid Interconnection Notification form or return any incomplete form. A request for waiver shall extend the time during which the Company may determine whether the customer has satisfied all of the requirements for interconnection of its renewable fuel generator. If the Company determines that the Interconnection Notification form was incomplete or that any of the other requirements for interconnection were not satisfied, the customer shall submit another completed Interconnection Notification form and notify the Company once the customer has completed all work necessary to satisfy the deficiencies prior to interconnection. This notification requirement shall not replace or supersede any other applicable waiting period, or require interconnection authorization when other applicable law, rule, regulation or code would permit authorization to be withheld or delayed. Provided, that for the purposes of this tariff, the Company's approval via the Interconnection Form shall serve as the Company's express written consent for the Customer to operate the generating equipment described in the Interconnection Form in parallel with the Company's service as required in accordance with the provisions of the seventh paragraph of subsection (g) of section TENTH of the Virginia Public Authorities Agreement for the Purchase of Electricity from Appalachian Power Company dated July 1, 2016. The Company reserves the right to withdraw its consent as to the operation of the Renewable Fuel Generator should the Customer fail to comply with the terms contained within this tariff.

PUBLIC AUTHORITY TARIFF NO. 17

RIDER N.M.S.P.A. (b)  
(Net Metering Service Rider-Public Authority)

CONDITIONS OF SERVICE (Cont'd)

3. The Net energy metering customer shall immediately notify the Company of any changes in the ownership of, operational responsibility for, or contact information for the generator.

B. Conditions of Interconnection

1. Renewable fuel generator equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. Renewable fuel generator equipment and installations shall comply with all applicable safety and performance standards of the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003.

In addition, non-static inverter-connected renewable fuel generator equipment and installations shall comply with the Company's Interconnection Guidelines. The Company shall provide a copy of its Interconnection Guidelines to the customer upon request.

2. In the case of renewable fuel generators with an alternating current capacity greater than 25 kW, the following requirements shall be met before interconnection may occur:
  - a. Electric Distribution Facilities and Customer Impact Limitations. A renewable fuel generator shall not be permitted to interconnect to the Company's distribution facilities if the interconnection would reasonably lead to damage of any of the Company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the Company's electric distribution system, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. . In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
  - b. Secondary Service and Service Entrance Limitations. The capacity of the renewable fuel generator shall be less than the capacity of the Company-owned secondary, service, and service entrance cable connected to the point of interconnection, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. . In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
  - c. Transformer Loading Limitations. The renewable fuel generator shall not have the ability to overload the Company's transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the customer reimburses the Company for its costs to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.
  - d. Integration With Company Facilities Grounding. The grounding scheme of the renewable fuel generator shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources With Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the Company. If requested by a prospective net metering customer, the Company shall assist the customer in selecting a grounding scheme the coordinates with the Company's distribution system.
  - e. Balance Limitation. The renewable fuel generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the Company's transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such reimbursement.

**APPALACHIAN POWER COMPANY**

**Sheet No. 18-4**

**PUBLIC AUTHORITY TARIFF NO. 17 (b)**

**RIDER N.M.S.P.A.  
(Net Metering Service Rider-Public Authority)  
(continued)**

3. The customer is required to maintain liability insurance which provides coverage in the event of losses or damages arising from the use of the customer's renewable fuel generator. If the customer's renewable fuel generator does not exceed 10 kW, then such coverage shall be in the amount of at least \$100,000 per claim. If the customer's renewable fuel generator exceeds 10 kW, then such coverage shall be in the amount of at least \$300,000 per claim. The customer must submit evidence of such insurance to the Company with the Interconnection Notification form.

The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

4. Following Notification by the customer, the Company shall have the right to inspect and test the renewable fuel generator equipment and installation prior to interconnection. The nature and extent of these tests shall be determined solely by the Company. The Company reserves the right to conduct additional tests and inspections and to install additional equipment or meters at any time following interconnection of the renewable fuel generator.
5. The renewable fuel generator installation must have a visibly open, lockable, manual disconnect switch which is accessible by the Company and clearly labeled. A licensed certified technician must certify via the Interconnection Form that the disconnection switch has been installed properly. The Company reserves the right to install any additional equipment, including controls and meters, at the facility.

**APPALACHIAN POWER COMPANY**

**Sheet No. 18-5**

**PUBLIC AUTHORITY TARIFF NO. 17 (b)**

**RIDER N.M.S.P.A.  
(Net Metering Service Rider-Public Authority)  
(continued)**

**CONDITIONS OF SERVICE (Cont'd)**

6. The customer shall periodically maintain and test the renewable fuel generator in accordance with the manufacturer's specifications and all applicable safety and performance standards. The customer shall notify the Company at least fourteen (14) days prior to making any material changes to the renewable fuel generator facility or installation, including, but not necessarily limited to, any modification to the equipment or protective equipment settings or disconnection of the renewable fuel generator from the Company's system, excluding temporary disconnects for routine maintenance. Following a notification of disconnection of the renewable fuel generator, the customer must again complete the notification process specified above prior to any subsequent reconnection.

In addition, the customer shall notify the Company immediately regarding either any damage to the renewable fuel generator facility or safety-related emergency disconnections.

7. Interconnection authorization is not transferable or assignable to other persons or service locations.

**FACILITIES CHARGES**

The customer is responsible for all equipment and installation costs of the renewable fuel generator facility.

The Company shall inspect the inverter settings of a static inverter-connected renewable fuel generator with capacity in excess of 10 kW prior to interconnection. The customer shall pay \$50 to the Company for each inspection.

The Company shall inspect the protective equipment settings of a non-static inverter-connected renewable fuel generator prior to interconnection. The customer shall pay \$50 to the Company for each inspection.

The customer shall pay to the Company any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such additional charges.

**METERING**

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.

In instances where a net metering customer has requested, and where the Company would not have otherwise installed, metering equipment that is intended to be read off-site, the Company may charge the Net metering customer its actual cost of installing any additional equipment necessary to implement net metering service.

A time-of-use Net metering customer shall bear the incremental metering costs associated with Net Metering.

Any incremental metering costs associated with measuring the total output of the renewable fuel generator for the purposes of receiving Renewable Energy Certificates shall be installed at the customer's expense.

**MONTHLY CHARGES**

All monthly charges shall be in accordance with the Public Authority Schedule under which the customer takes service. Such charges shall be based on the customer's net energy for the billing period, to the extent that the net energy exceeds zero. To the extent that a non time of use customer's net energy is zero or negative during the billing period, the customer shall pay only the non-usage sensitive charges of the standard Schedule. To the extent that a time-of-use customer's net energy is zero or negative during the billing period, the customer shall pay only the demand charge or charges and non-usage sensitive charges of the standard Schedule. The customer shall receive no compensation from the Company for Excess Generation during the billing period. The Excess generation during the billing period shall be carried forward and credited against positive energy usage (by tiers, in the case of time-of-use customers) in subsequent billing periods.

**APPALACHIAN POWER COMPANY**

Sheet No. 18-6

**PUBLIC AUTHORITY TARIFF NO. 17 (b)**

**RIDER N.M.S.-P.A.**  
**(Net Metering Service Rider-Public Authority)**  
**(continued)**

**MONTHLY CHARGES- (cont.)**

The Net Metering Period shall be defined as each successive 12-month period beginning with the first meter reading date following the date of interconnection of the renewable fuel generator with the Company's facilities. Any Excess generation at the end of a Net Metering Period shall be carried forward to the next Net Metering Period only to the extent that the Excess generation does not exceed the customer's billed consumption for the current net metering period, adjusted to exclude accumulated billing period credits carried forward and applied from the previous Net Metering Period (recognizing tiers for time-of-use customers).

Upon written request of the customer, the Company and the customer shall enter into a power purchase agreement for the customer's Excess generation for one or more Net Metering Periods. For Net Metering Periods beginning on or after January 1, 2009, the written request of the customer must be submitted prior to the beginning of the Net Metering Period. The power purchase agreement shall be consistent with the Commission's Rules Governing Net Energy Metering (20 VAC 5-315-50 et seq.) and will obligate the Company to purchase the customer's negative net energy for requested Net Metering Periods at a price equal to the PJM Interconnection, L.L.C. (PJM) day-ahead annual, simple average LMP (locational marginal price) in the case of time-of-use customers the simple average of hourly LMP's by tiers, for the AEP Zone, as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each Net Metering Period. The Company shall make full payment annually to the customer within 30 days following the latter of the end of the Net Metering Period or the date of the PJM Market Monitoring Unit's publication of the previous calendar year's AEP Zone day-ahead annual, simple average LMP, or hourly LMP as appropriate.

Excess generation is not transferable, and the Customer, absent a signed power purchase agreement as outlined above, shall receive no compensation from the Company for any Excess generation upon termination of service from the Company, or upon the customer's choice of a qualified ESP.

**RENEWABLE ENERGY CREDITS**

A net metering customer owns any renewable energy certificates associated with the total output of its Renewable Fuel Generator.

The Company is only obligated to purchase a net metering customer's RECs if the net metering customer has exercised its one time option at the time of signing a power purchase agreement with the Company to include a provision requiring the purchase by the Company of all generated RECs over the duration of the power purchase agreement.

Payment for all whole RECs purchased by the Company during a Net Metering Period in accordance with the purchase power agreement shall be made at the same time as the payment for any Excess generation.

The Company will post a credit to the Customer's account, or the Customer may elect a direct payment.

Any fractional REC remaining shall not receive immediate payment, but, may be carried forward to subsequent net metering periods for the duration of the power purchase agreement.

The rate of the payment by the Company for a Customer's RECs shall be the daily unweighted average of the "CR" component of Virginia Electric and Power Company's Virginia jurisdiction Rider G tariff in effect over the period for which the rate of payment for the excess generation is determined.

**SPECIAL TERMS AND CONDITIONS**

This Schedule is subject to all terms and conditions contained in the agreement for electric service between the Company and each city, county, and town governmental authority for service on and after July 1, 2016.

Customers with cogeneration and/or small power production facilities shall take service under Rider N.M.S.P.A. or by special agreement with the Company.

A meeting of the Smyth County Budget Committee was held at the County Office Building on Monday, March 6, 2017 at 3:30 p.m.

**Committee Members Present:**

Chilhowie District Supervisor Wade H. Blevins Jr., Chairman  
Rye Valley District Supervisor Rick K. Blevins

**Committee Members Absent:**

Park District Supervisor M. Todd Dishner

**Staff Members Present:**

Michael Carter, County Administrator  
Kelly Woods, Administrative Assistant  
Scott Simpson, Assistant County Administrator

Scott Simpson, Assistant County Administrator presented the following request from the CSA Department for a Budget Amendment and Transfer to the current FY2016-2017 Budget:

Amendment will be to add:

Revenue 001-022500-0001	\$ 145,600	CSA - Pool Funds
Expense 001-083040-5701	\$ 145,600	CSA - Pool Funds

Transfer \$ 44,400

From 001-011010-8888-5	Local Aid to the Commonwealth
To 001-083040-5701	CSA - Pool Funds

Rye Valley District Supervisor Rick K. Blevins made a motion to recommend approving the request from the CSA Department as presented. All agreed unanimously.

Scott Simpson, Assistant County Administrator then presented a Budget Transfer request from the Water/Sewer Department as shown attached (#1), for a total of \$83,500.00.

Rye Valley District Supervisor Rick K. Blevins made a motion to recommend approving the transfer request from the Water/Sewer department as presented. All agreed unanimously.



The following budgets were discussed:

- CSA
- Registrar
- Extension Office
- 911

At 5:04 p.m. Chairman Wade H. Blevins Jr., adjourned the meeting. Next meeting will be held on March 8, 2017 at 3:30 p.m.

501	85010	Water/Sewer Expense					
		<b>FROM</b>			<b>TO</b>		
501	085020-0102	Atkins	\$	(38,000)	085030-0001	Town of Marion	
501	085020-0104-1	EHM Park Main	\$	(23,000)	085020-0205	Apple Valley Road Meter	
501	085020-0104	HMSP/Walker's/Ebenezer	\$	(7,000)	085020-0205	Apple Valley Road Meter	
501	085020-0104	HMSP/Walker's/Ebenezer	\$	(5,800)	085010-5423	Hutton Branch Treatment Plant	
501	085020-0104	HMSP/Walker's/Ebenezer	\$	(200)	085010-3004	Miss Utility	
501	085010-5101	Electricity	\$	(100)	085010-3004	Miss Utility	
501	085010-5101	Electricity	\$	(400)	085010-5201	Postage	
501	085010-5101	Electricity	\$	(1,000)	085020-0106	Meriliat	
501	085010-5101	Electricity	\$	(1,000)	085020-0203	Fox Valley Road	
501	085010-5101	Electricity	\$	(2,500)	085020-0501	Thomas Bridge	
501	085020-0303	Pleasant Heights	\$	(3,100)	085030-0007	Town of Chilhowie (Salary Cost)	
501	085020-0303	Pleasant Heights	\$	(200)	085010-5201	Postage	
501	085010-5203	Telephone	\$	(800)	085020-0306	Cardwell (Water Tank)	
501	085010-5102	Heat	\$	(400)	085010-5401	Office Supplies	

AC

\$ (83,500)

A meeting of the Smyth County Budget Committee was held at the County Office Building on Wednesday, March 8, 2017 at 3:30 p.m.

**Committee Members Present:**

Rye Valley District Supervisor Rick K. Blevins  
Park District Supervisor M. Todd Dishner

**Committee Members Absent:**

Chilhowie District Supervisor Wade H. Blevins Jr., Chairman

**Staff Members Present:**

Michael Carter, County Administrator  
Kelly Woods, Administrative Assistant  
Scott Simpson, Assistant County Administrator

The meeting was called to order at 3:38 P.M. by Park District Supervisor M. Todd Dishner.

Michael Carter, County Administrator brought a recommendation before the Committee concerning properties that have been declared a public nuisance. Mr. Carter stated there are three (3) properties that remain to be cleaned up, with \$15,000.00 in the current FY16-17 budget to do so. Bids have been solicited for each property. After review of the bids and discussion of the properties with Clegg Williams, Building and Zoning Administrator, it is staff's recommendation to award the bid for nuisance cleanup on the J.B. Hogston Estate, next to 714 Allison Gap Road, Saltville, to Teaters Trucking in the amount of \$9,250.00. Rye Valley District Supervisor Rick K. Blevins made a motion to recommend awarding the bid to Teaters Trucking in the amount of \$9,250.00 for the nuisance cleanup of the J.B. Hogston Estate. All agreed unanimously.

- Tom Burkett, Treasurer and Debbie Schwartz presented their budget request for FY2017-2018.
- Jeff Richardson, Commissioner of Revenue and Becky Kress presented their budget request for FY2017-2018.

Sheriff Chip Shuler and Major Johnny Joannou with the Smyth County Sheriff's Department brought forward a request to the committee to amend the FY2016-2017 budget as shown below:

**Revenue**

Fund 744-Increase line item 010000-0003(Use of Fund Balance) \$60,000.00

**Expense**

Fund 744-Increase line item 010000-1003 (Part-time Salaries and Wages) \$60,000.00

Rye Valley District Supervisor Rick K. Blevins made a motion to recommend approval of the amendment as presented. All agreed unanimously.

At 5:20 p.m. Park District Supervisor M. Todd Dishner adjourned the meeting. Next meeting will be held on March 13, 2017 at 3:30 p.m.

A meeting of the Smyth County Board of Supervisors Building and Grounds Committee was held at the County Office Building on Tuesday, March 7, 2017 at 4:30 p.m.

**Committee Members Present:**

Saltville District Supervisor Roscoe D. Call, Chairman  
Rye Valley District Supervisor Rick K. Blevins

**Committee Members Absent:**

North Fork District Supervisor Phil Stevenson

**Staff Members Present:**

Michael Carter, County Administrator  
Scott Simpson, Assistant County Administrator  
Kelly Woods, Administrative Assistant  
Tina Combs, Maintenance Department

Saltville District Supervisor Roscoe D. Call, Chairman called the meeting to order at 4:30 p.m.

Michael Carter, County Administrator presented the committee with an update regarding the security of the building. Mr. Carter stated, along with the addition of the security guard, metal detector and the moving of the main entrance, there are other security measures that need to be considered to finish out the project. Mr. Carter stated the contract for Security services had been reviewed by all parties and requests consideration by the Committee to recommend its adoption. Rye Valley District Supervisor Rick K. Blevins made a motion to recommend adopting the full contract as presented. All agreed unanimously.

Tina Combs with the Maintenance Department presented the information attached (#1) that details the steps that need to be taken to finish updating the security at the County Administration Building.

Rye Valley District Supervisor Rick K. Blevins made a motion to continue with the steps necessary to implement the security measures at the County Administration Building as presented. All agreed unanimously.

These recommendations will be brought before the Board of Supervisors at their next scheduled meeting on March 14, 2017.

Having no other business to discuss, Chairman, Saltville District Supervisor Roscoe D. Call adjourned the meeting at 4:49 pm.



# SI&S

Prudent  
Professional  
Results

## **STEADFAST INVESTIGATIONS & SECURITY, LLC** **AGREEMENT FOR SECURITY SERVICES**

THIS AGREEMENT, dated as of \_\_\_\_\_ by and between Smyth County, Virginia (the "Client") and STEADFAST INVESTIGATIONS & SECURITY, LLC, a Virginia Private Security Service company (the "Company") (together, the "parties"), in consideration of the premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

### **Recitals:**

1. The Company is licensed to provide armed/unarmed security services in the Commonwealth of Virginia.
2. The Client has engaged the Company to perform certain armed/unarmed security services and the Company desires to perform such services subject to the terms and conditions provided herein.

### **Agreement:**

In consideration of the covenants contained herein the parties agree as follows:

1. **Services of the Company.** During the Term, as hereinafter defined, of this Agreement, the Company shall provide the security services described on Schedule A, attached hereto and made a part hereof (Unarmed/Armed Security Guard Services) for the Client.
2. **Fees.** In exchange for the Services to be performed by the Company hereunder, the Client shall pay to the Company fees as set forth on Schedule B attached hereto and made a part hereof. Unless otherwise provided in Schedule B, the cost for services will be invoiced at the end of each month and due net 30. If payment terms are not met, the Company shall cease to provide services and may seek legal and collection remedies.
3. **Independent Contractor.** The Company is an independent contractor of the Client and none of the employees of the Company shall be deemed to be employees of the Client for any purpose. The Client shall not be responsible for any payroll-related taxes related to the performance of Services hereunder.
4. **Indemnification.** Each party shall hold harmless the other for any and all losses, damages, liabilities, claims, costs and expenses (including, but not limited to, reasonable attorneys' fees), incurred by the other in connection with or arising out of this Agreement or the Services performed hereunder. This covenant shall survive the termination of this Agreement.
5. **Term and Termination.** The term of this Agreement (the "Term") shall begin on the date hereof \_\_\_\_\_ for a period of one year, with two, one year renewal thereafter. The Company may terminate this Agreement upon thirty (30) days advance written notice to the Client in the event of a breach of any covenant of this Agreement by the Client. The Client may terminate this Agreement upon thirty (30) days advance written notice to the Company in the event of a breach of any covenant of this Agreement by the Company. In the event of any

termination of this Agreement by the Client, the Company shall be entitled to payment for fees earned up to and including the last date of service by the Client of termination. In the event no such notice of termination is given, then the agreement shall continue in full force and effect from year to year, at a negotiated yearly increase by the parties.

6. **Cooperation.** The Client and its employees shall cooperate with the Company and its employees in connection with the performance of the Services by the Company hereunder.
7. **Compliance with Laws.** The Company shall comply with all applicable statutes, laws, rules, regulations and ordinances in performing the Services hereunder.
8. **Limitation of Liability.** The Company's total liability to the Client for any damages suffered in connection with, or arising out of, this Agreement, whether any such liability is based on contract, tort or otherwise, shall not exceed the aggregate amount of any fees paid hereunder to the Company from the Client.

**IN NO EVENT SHALL THE COMPANY BE LIABLE TO THE CLIENT FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES INCURRED OR SUFFERED BY THE CLIENT IN CONNECTION WITH, OR ARISING OUT OF, THIS AGREEMENT. NO ACTION, REGARDLESS OF FORM, RELATING TO THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE (1) YEAR AFTER THE DATE ON WHICH THE SERVICES ARE COMPLETED. THE COMPANY CANNOT GUARANTEE THE PROTECTION OF PERSONS OR PROPERTY IN THIS CONTRACT.**

9. **Expenses of Collection.** If the Client breaches this Agreement or any provision hereof, of the collection of any monies due hereunder is turned over to any attorney or collection agency, the Client agrees to pay all costs and expenses incurred in collection, including but not limited to reasonable attorney's fees.
10. **Security Rules.** The Client shall inform the Company of all rules and procedures relating to the security of the Client, its business and its premises at the inception of this Agreement. The Client shall promptly inform the Company of any changes to such rules and/or procedures.
11. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors. This Agreement shall not be assigned by a party without the prior written consent of the other party.
12. **Notices.** Any notices hereunder shall be in writing and shall be hand-delivered or sent by certified mail, postage prepaid and return receipt requested, to the parties at the following addresses:

**If to Client:** Smyth County Administrator  
121 Bagley Circle Suite 100  
Marion, Virginia 24354  
ATTN: Michael Carter

**If to the Company:** Steadfast Investigations & Security, LLC  
325 E. Main Street Ste D  
Wytheville, VA 24382  
ATTN: Leroy DeVore

13. **Modification.** This Agreement shall only be modified in writing signed by the parties.

14. **Entire Agreement.** This Agreement is the entire agreement of the parties with respect to the subject matter hereof.
15. **Force Majeure.** The Company shall not be liable for any failure to perform or delay in performance hereunder for reasons beyond its control, including but not limited to, acts of God, strike, lock-out, riot, war, insurrection, sabotage or vandalism.
16. **Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Virginia.
17. **Severability.** The provisions of this Agreement shall be severable. If any part of this Agreement shall be deemed invalid or unenforceable, then the remainder of this Agreement shall remain in full force and effect as if the invalid or unenforceable part had not been included in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**THE CLIENT:**

SMYTH COUNTY VIRGINIA

By: X \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE COMPANY:**

STEADFAST INVESTIGATIONS &  
SECURITY, LLC

By: \_\_\_\_\_  
Name: Leroy DeVore  
Title: President

**Schedule A**

**Description of Security Services**

The Company shall provide the following Services:





## **Schedule B**

### **Fee Schedule**

The Client shall pay the Company fees for the Services rendered according to the following schedule:

Total Hours:            40-45 hours per week

Hour Rate:            \$23.67

Holiday Rate: \$35.50

Total Cost Monthly: \$3787.20 - \$4260.60

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### **INVOICES ARE BILLED MONTHLY, FOR THE SERVICES AND ARE DUE NET 30 DAYS THEREAFTER.**

- **Note:** Request for "special coverage" over and beyond the normal scope of service will be billed at a rate of one and one half times the normal hourly rate for service. Please make every attempt to give us as much notice as possible of such events. If notice is given any less than forty-eight (48) hours prior to the event, additional fees may be incurred.
- Holidays will incur a billable rate of one and one half times the normal hourly rate. Holidays include: Christmas Day, New Years Day, Easter, 4<sup>th</sup> of July, Thanksgiving Day, Memorial Day and Labor Day.
- Contract based on currently Federally Mandated Wage Standard. Increases to this standard will be passed directly to the hourly rate herein.
- Annual increases to be negotiated by the parties.

#### **Point of Contacts**

LeRoy DeVore(Ret US Navy)  
Vice President  
276-227-0640 SW Office  
804-200-9077 Mobile  
[ldevore@steadfastsecurityinc.com](mailto:ldevore@steadfastsecurityinc.com)

Dave Collins  
SWVA Security Operation  
276-227-0640 SW Office  
276-274-5143 Mobile  
[dcollins@steadfastsecurityinc.com](mailto:dcollins@steadfastsecurityinc.com)

**STEADFAST INVESTIGATIONS & SECURITY, LLC**  
Wytheville, Virginia, USA

DCJS #11-9217  
EIN 27-3047274  
SWAM # 688550

***THE INFORMATION CONTAINED IN THIS CONTRACT IS CONFIDENTIAL AND PROPRIETARY.***

March 2017

## **Building and Grounds**

### **Outside the "New" Main Entrance.....**

- Adding 2 Pedestrian Crossing signs
- Adding 2 No Parking signs
- Painting a Pedestrian Cross Walk and painting off a area in front of the "New" main entrance.
- Installing a black vinyl awning over "New" main entrance. Awning will measure 6 feet in width and costing \$687.00. (Maybe less if we get a discount to install ourselves)
- Add a small outdoor light under the awning.

### **New Main Entrance**

- Paint door and install new hardware. We have the lever door handle for outside however, we ~~need to~~ <sup>have</sup> ~~purchase a smaller~~ panic bar for inside. Install a door sweep to keep out wind and rain.
- Repair a few spots in the walls and paint entire room.
- Paint concrete floor with Drylok. (To seal and add a non-slip covering)

### **Metal Detector/Security Area**

- As you come into the "New" main entrance and enter the hallway, the metal detector will be setup to the persons right hand side. To their left will be a desk for the security guard to sit and monitor the area. There will be a table for persons entering to set their belongings while they go through the metal detector. The security guard will also be

proved with a metal detecting wand to use as needed.

### **Door Alarm System**

- Installing 10 door contacts and a notification board. This will send an alarm to the security guard if any of the 10 doors are opened. (This system was chosen because it is so expandable.)
- There will be 4 -STI-6405 Exit Stopper Alarms added to both side exits, exit door where we receive deliveries and where the mailboxes are, and at the doors across from the Boardroom. These alarms will have a piercing audible alarm that can only be deactivated with a key. (We chose these doors because we foresee these being our problem areas. However, we can add additional alarms if needed.)
- Note: This system will be installed by Taylored Information Technologies for \$3,882.00 plus tax if applicable. We have saved around \$1,800.00 on labor by having maintenance personnel and our inmates pull all the wiring and install the conduit with the direction of Mr. Taylor.

### **Security Cameras**

- We are trying to use the security camera system that was removed from the courthouse. This system was purchased from ADT 6 years ago at a cost of \$22,581.28, so it would be a shame to throw it away. However, we are missing some of the wiring that we are still trying to locate at the courthouse and Diane is trying help us locate other materials we will be needing. The cameras will be installed by maintenance personnel and the

inmates.

Locations of 10 security cameras will be as follows....

- 4 cameras outside (1-covering parking lot for County vehicles, 1-covering employee and visitor parking lot, 1-covering handicap parking lot, and 1-large camera on the face of the building above the "new" main entrance.)

- 5 dome cameras inside (1-covering handicap entrance, Data Processing, Building Inspection and the stairwell to the right. 1-covering hallway at Shannon Williams office, the stairwell to the left, and some of the main junction of the hall. 1-covering exit door & stairwell where mailboxes are and delivery area. 1-covering other side exit door and stairwell to the left. 1-covering hallway at the Boardroom doors.)

- 1 bullet camera facing directly on the metal detector/security area.

- Main DVR system and a monitor will be in the County Administrators office. There will be 2 more monitors added to the system and placed in the Assistant County Administrators office and on the Security Guards desk.

Note: If by chance we are not able to get the ADT system operating, we have found several wireless security camera systems ranging \$700.00 to \$1000.00 that we could possibly use.

A meeting of the Smyth County Insurance Committee was held at the County Office Building on Tuesday, March 7, 2017 at 4:00 P.M.

**Committee Members**

**Present:**

Atkins District Supervisor Charles Atkins, Chair  
Saltville District Supervisor Roscoe D. Call  
Rye Valley District Supervisor Rick K. Blevins

**Staff Members:**

Michael Carter, County Administrator  
Scott Simpson, Assistant County Administrator  
Lisa Richardson, Human Resources  
Kelly Woods, Administrative Assistant

Chairman, Atkins District Supervisor Charles Atkins called the meeting to order at 4:02 P.M.

Lisa Richardson, Human Resource Manager presented information on Senate Bill 364, and stated that in 2016, legislation requested Virginia Department of Human Resource Management to develop a health care plan for localities similar to state agencies. Ms. Richardson presented a time line of the process that has been taken by the County, stating the next step is to indicate by March 15, 2017, if the County has continued interest in the COVA Program. Rye Valley District Supervisor Rick K. Blevins made a motion to allow Ms. Richardson to indicate to the Virginia Department of Human Resource Management, the County's non-binding interest in the COVA Program. Saltville District Supervisor Roscoe D. Call seconded the motion. All agreed unanimously.

Michael Carter, County Administrator clarified the recommendation for the approval of the renewal of the Anthem/Local Choice employee health insurance plan for July 1, 2017 through June 30, 2018, at an increase of 9.2%. The committee would like to continue discussion as more progress is made on the FY2017-2018 budget and would like for staff to ask for an extension on the contract, allowing for open enrollment to be held April 15, 2017-May 15, 2017.

The Committee will meet again on April 4, 2017 at 4:00 P.M. to continue the discussion on the renewal structure of the Local Choice Health Insurance Plan for FY17-18. All other recommendations will be brought before the full Board on Tuesday, March 14, 2017.

With no other matters to discuss, Chairman, Atkins District Supervisor Charles Atkins adjourned the meeting at 4:26 p.m.

A meeting of the Smyth County Water and Sewer Committee was held at the County Office Building on Monday, February 27, 2017 at 4:30 p.m.

**Committee Members Present:**

Saltville District Supervisor Roscoe D. Call, Chair  
Rye Valley District Supervisor Rick K. Blevins  
North Fork District Supervisor Phil Stevenson

**Staff Members Present:**

Michael Carter, County Administrator  
Scott Simpson, Assistant County Administrator  
Kelly Woods, Administrative Assistant  
Wally Blevins, Water/Sewer Foreman

The meeting was called to order at 4:31 p.m. by Chairman Roscoe D. Call.

Scott Simpson, Assistant County Administrator updated the Committee on the Mandatory Connection Ordinance. The ordinance was adopted in late 1997 and became effective January 1, 1998 for lines installed after that date. Staff is currently compiling a layer in the GIS system to indicate all structures within 200 feet of a water or sewer line. This list will then be compared to the services addresses of existing customers to determine those which meet the intent of the ordinance. Preliminarily there are approximately 254 structures along water mains that are eligible for the availability fee. The sewer structures are currently being compiled and the Committee will be updated as these lists become more detailed.

Mr. Simpson then spoke on the sewer billing concern with the McNew's, whose address is 168 North Drive Marion, Virginia, that was referred to the Committee by the Board of Supervisors. The McNew's acquired a home and were told they were connected to the public sewer. The McNew's paid \$394.90 until October 2015, when the sewage backed up and it was determined they were still connected to the septic system and not to the public sewer. Since that time, they have accumulated another \$1,246.42 of account charges, and don't feel as if they should pay due to not being the original applicant for the public sewer and were never connected. The property is in excess of 300 feet from the public sewer connection, therefore the mandatory connection would not apply. Rye Valley District Supervisor Rick K. Blevins made a motion to abate the current \$1,246.42 account balance as well as process a refund of \$394.90 for previously paid funds. North Fork District Supervisor Phil Stevenson seconded the motion and all agreed unanimously.

Mr. Simpson presented the attached memo (#1) regarding the renewal option for the Term Services Engineering Agreements. Rye Valley District Supervisor Rick K. Blevins made a motion to recommend to the full Board accepting the renewal of the agreements for the next annual period to expire on February 12, 2018. North Fork District Supervisor Phil Stevenson seconded the motion and all agreed unanimously.

The Committee and staff continued discussion regarding the inspection services for the Adwolfe Sewer Project. At a previous Board meeting, staff was given direction to advertise for an in-house inspector rather than utilizing the inspector provided for in the Engineering Contract. Scott Simpson, Assistant County Administrator advised the Committee of a few concerns over project continuity, procedural items, and the project schedule. The Committee would still like for the advertisement to take place and Mr. Simpson stated it would be placed in the March 4<sup>th</sup> and March 11<sup>th</sup> newspaper, with resumes due Friday, March 17, 2017.

Michael Carter, County Administrator presented the Draper Aden Water/Sewer Rate Study Report. The

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Committee reviewed the County's current rates as compared to other localities in the region and in the rate study. At this time the Committee intends to keep rates as they currently are and there is no recommendation for any increase in Water/Sewer rates for the upcoming fiscal year.

Scott Simpson, Assistant County Administrator presented a small Sewer Project which would serve 4 homes in the Atkins area, on Highway 11. A few of the homes are eligible for a DEQ grant administered by the Evergreen Soil and Water District, which would pay 75% of the cost to connect to public services. The remaining 25% of the cost, as well as a short line extension to serve the homes, will cost the county approximately \$15,000.00. A grant from Mt. Rogers Planning District Commission will cover \$6,193.00 of the cost to the County. The remainder of approximately \$9,000.00 is recommended to be paid from line item 501-085060-0008 (County funded Projects), in the current FY16-17 budget. As part of this project, a citizen of the Atkins area, Jerry Widener has agreed to install approximately 400 feet of 6" sewer main at his own expense and donate the line to the County. Rye Valley District Supervisor Rick K. Blevins made a motion to recommend moving forward with the project as long as the current funds are available. North Fork District Supervisor Phil Stevenson seconded the motion and all agreed unanimously.

With nothing further to discuss, the meeting was adjourned at 5:43 P.M.



#1

## Smyth County Board of Supervisors

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Michael L. Carter  
County Administrator

Scott R. Simpson, P.E.  
Assistant County Administrator

February 27, 2017

**Water-Sewer Committee:**

Roscoe Call – Chairman  
Rick Blevins  
Phil Stevenson

**RE: Engineering Term Service Agreements Renewal**

Smyth County currently has 5 firms under a Term Services Contract (as-needed) for Engineering and Architecture related activities. We generally utilize multiple firms from this listing for items related mainly to Water and Sewer, but other departments such as Solid Waste and Building Inspection also benefit from this opportunity.

The initial term of this Agreement began February 12, 2014 and this extension, if awarded by the Board of Supervisors, will be in force until February 12, 2018. As per the Agreement Section 1.1.2, there will be an option to renew for another year in February, 2018 if the Board approves an extension. Smyth County will be required to re-solicit these services in February 2019 under Virginia's procurement laws as there is a 5 year maximum interval between procurements.

The current firms under Term Services Agreements are:

- CHA Consulting, Inc.
- Draper & Aden Associates, Inc.
- ECS Mid-Atlantic, LLC
- Hurt & Proffitt, Inc. (successor by merger with Anderson & Associates, Inc.)
- The Lane Group, Inc.

I would encourage the Committee to recommend to the Board of Supervisors a one-year extension of the Agreement for Professional Engineering / Architectural Services originally dated and executed on February 12, 2014. This renewal term will end February 12, 2018.

Sincerely,

Scott R. Simpson, P.E.  
Assistant County Administrator  
County Engineer